

# The NATIONAL UNDERWRITER



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When a worker was caught  
Betting company funds on the races.

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AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

**THURSDAY, JANUARY 21, 1954**



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# The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

January 21, 1954  
58th Year, No. 3

## 1953 Fire Losses Set Another Record at \$903 Million

**Increase Is More Than  
\$100 Million; December  
Total Is \$83½ Million**

Fire losses in the United States in 1953 are estimated at \$903,400,000 by the National Board. This is an increase of 15.1% from last year, and is the third consecutive year in which the loss total has established a new record.

The increase reflects largely expanded and higher insurable values and includes the Livonia plant of General Motors.

Losses in December were \$83,440,000, up 12.6% over December, 1952.

For the past 10 years, losses have been:

1944	\$423,538,000
1945	455,329,000
1946	561,487,000
1947	692,635,000
1948	711,314,000
1949	667,536,000
1950	688,460,000
1951	731,405,000
1952	784,953,000
1953	903,400,000

Losses by months for 1953 and the two preceding years were:

	1953	1952	1951
	\$	\$	\$
Jan.	76,659,000	74,155,000	68,686,000
Feb.	72,706,000	69,925,000	69,136,000
March	83,471,000	72,254,000	71,507,000
April	67,362,000	67,380,000	62,965,000
May	64,239,000	62,354,000	58,744,000
June	67,644,000	58,585,000	56,403,000
July	74,938,000	61,675,000	52,220,000
Aug.	107,713,000	56,462,000	55,416,000
Sept.	68,613,000	58,949,000	55,398,000
Oct.	68,551,000	63,958,000	54,660,000
Nov.	68,064,000	65,129,000	60,064,000
Dec.	83,440,000	74,127,000	68,206,000
Total	903,400,000	784,953,000	731,405,000

## Liquidator Limited by N. Y. Court to Recovery of Earned Premium

The court of appeals in New York, which is the state's highest tribunal, has reversed lower court decisions in Bohlinger vs. Zanger, holding that Superintendent Bohlinger, as liquidator of Preferred Accident, may require the broker to turn over to him only the earned premium as of the date of liquidation, less commission. The lower courts held that the broker was required to pay to the liquidator the full premium collected by the broker less his commission.

The decision applies to brokers only. Many brokers at the time of the Preferred liquidation order purchased insurance for clients with premiums collected but not remitted to Preferred on its business.

Costs were assessed against the liquidator. A strong dissenting opinion was written by two of the five justices.

Charles P. Butler, New York attorney and former deputy superintendent of the insurance department, represented the broker, Zanger, in the suit, which was a test action sponsored by the brokers joint council of metropolitan New York City.

## Donovan Decries Over-Regulation at Lawyers' Conference at Chicago

Insurance is the most over regulated business in the U.S., James B. Donovan, general counsel of National Bureau of Casualty Underwriters, told a conference on insurance law conducted by the University of Chicago law school.

Terming insurance regulation a progressive thing, Mr. Donovan said he believes the pendulum has swung too far and unless it goes the other way it could adversely effect growth of the business as well as the nation's economy.

Mr. Donovan's talk was one of several in which a variety of legal aspects were explored by prominent insurance men and lawyers. The program attracted a sizable attendance and the meeting proved to be one of the most popular of the several special conferences staged periodically by the law school.

Other speakers were Herbert Brook of the Chicago insurance law firm of Lord, Bissell & Kadyk; M. Albert Linton, chairman of Provident Mutual Life; Churchill Rodgers, general counsel of Metropolitan; J. Edward Day, associate general solicitor of Prudential; Robert B. Ely, III, general counsel of North America; Barry Oakes, associate counsel of Bankers Life of Iowa; John R. Stark, bureau of the budget, Washington, and Professors Friederich Kessler of Yale law school and Clarence Morris of University of Pennsylvania law school.

Mr. Donovan termed state regulation of insurance the yardstick of immunity from the federal anti-trust laws. Because there are 52 regulatory jurisdictions, he said policing of the business is necessarily complicated, although the system is functioning pretty well today, largely through the efforts of National Assn. of Insurance Commissioners. Even if all 52 administrators possessed the highest technical competence, the system would be a difficult one because of its diversity, he observed.

The various reasons espoused to justify the "over regulation" of insurance are vague, according to Mr. Donovan. Many proponents of strict regulation say the business affects the public interest, "a meaningless phrase", he said. Others claim insurance is vital to the economy, though this can be said about all industries, the speaker stated. Another argument holds that the business is complicated, though the speaker discounted this by saying a comprehensive personal liability policy is not nearly so hard to understand as a 17-jewel watch.

With actually hundreds of companies competing for business, Mr. Donovan said he does not believe insurance can be considered a monopoly. Referring to the wide-spread control over policies, he said the attempt for more standardization is one of the most stifling things that can be done in the case of some coverages. For example, he said standardization of comprehensive general liability forms would defeat the pur-

pose of the coverage and stunt its growth. Policy forms current today have been greatly broadened over the years, something the speaker says he doesn't think would have occurred had it been necessary to obtain concurrent approval from the 52 supervisory jurisdictions. New hazards are constantly

(CONTINUED ON PAGE 29)

## IMIB Makes Changes in Rates, Cover on Several Forms

Inland Marine Insurance Bureau has reduced rates on monthly reporting live stock cover and physicians' and surgeons' equipment. The limit per shipping package applying to the form "C" first class mail floater has been raised from \$25,000 to \$100,000. This is the form prescribed for stock transfer agents, registrars, trustees under bond indentures and corporations acting in such capacities for securities issued by themselves.

These changes are dated Jan. 15 and include, in addition, form and rule changes on the mobile agricultural equipment and farm live stock floater (and the separate equipment and live stock floaters) the horse and wagon floater, and the registered mail floater. Certain changes in the personal property floaters for use in Texas are also shown in the latest manual revision, and the automatic reinstatement rule applying to the PPF has been changed back, for Alabama, to that which was in force prior to November, 1953.

A new monthly reporting live stock policy replaces the previous method of attaching a reporting endorsement to the live stock floater and the monthly rates have been reduced to 5 cents per \$100 for the perils named in the form and 2 cents for accidental shooting, downing, lightning, attack by dogs or wild animals and collapse of building. These rates were 5½ and 2.2 cents. The minimum annual premium for reporting cover remains at \$50.

Rules have been liberalized so that riding horses are now eligible for coverage under the live stock floater (or the combined mobile agricultural equipment and farm live stock floater). Horses or mules used exclusively for racing, show or delivery, including breeding for these purposes, may not be covered under these forms. Lug boxes, used by pickers to bring fruit in from the orchards, are now specifically included in the list of property to which the agricultural equipment floater may not apply. These had been the source of considerable discussion among inland marine underwriters and agents and had been declared eligible coverage as inland marine risks in interpretative bulletin No. 139 of the joint committee on interpretation and complaint set up to decide ques-

(CONTINUED ON PAGE 32)

## U. S. Files Trust Action Against New Orleans Board

**Civil Suit Charges  
Conspiracy, Monopoly,  
Asks Injunction**

The government has filed in federal court at New Orleans a civil anti-trust action charging the New Orleans Insurance Exchange with violating the Sherman act by conspiring with its members to restrain trade and to monopolize, and by attempting to monopolize the business of selling and writing fire and casualty insurance in Orleans, Jefferson and St. Bernard parishes in Louisiana.

Membership of the exchange is comprised of insurance agents, brokers and solicitors who sell approximately 75% of all fire and casualty insurance sold in these parishes. The complaint charges the defendant exchange and its members and officers with conspiring to prevent, hinder and discourage the selling and writing of fire and casualty insurance in the New Orleans area through outlets other than exchange members, and except on terms and conditions imposed by the exchange. This allegedly was accomplished by an effectively policed boycott by exchange members directed against non-member agents, companies which appointed non-member agents, mutual fire and casualty insurance companies, and companies which sold policies directly to the public through branch offices.

The complaint further alleges that as a result of the conspiracy, agent companies who are members of the exchange have been prevented from representing and dealing with agents and companies who are non-members. Thus, because of arbitrary action of the exchange, non-member agents have been denied a free opportunity to deal in fire and casualty insurance and have been prevented from representing exchange-approved insurance companies.

Late News Bulletins on page 32.

In 1945 Congress enacted an act which provides that the federal anti-trust laws shall not be applicable to the insurance business where this business is subject to regulation by state laws. However, that act specifically provides that the Sherman act shall continue to be applicable where there is any agreement to boycott, coercion or intimidation is committed. The conspiracy to boycott, and boycotts alleged in the complaint filed, come within this provision of the McCarran act and are subject to the Sherman act.

By the suit, the government seeks to enjoin the exchange and its members from continuing the asserted boycott, and to cancel out exchange regu-

(CONTINUED ON PAGE 29)



## NAIA Steering Group Eyes Compulsory Auto, Crop Cover, and Package Policies

NEW YORK—Opposition to any form of compulsory auto insurance was reiterated by the executive committee of National Assn. of Insurance Agents at its meeting here. The group also discussed federal crop insurance, the investigation of mail order A&H and multiple line and package coverages.

Vice-president Joseph A. Neumann, Jamaica, L. I., chairman of the executive committee and chairman of a special auto committee to study ramifications of compulsory auto, reported on the activities of his group and their program for the future. The information gathered by his committee, in addition to its application to the compulsory auto problem, will be discussed with National Bureau of Casualty Underwriters in an effort to add constructive suggestions to the investigations and deliberations of the bureau on elimination of wasteful operations in auto insurance.

The executive committee voiced concern over failure of fire and casualty insurers to join in a public relations campaign to sell the story of insurance to the public. A resolution adopted by NAIA in 1952 urged a joint advertising program by stock fire-casualty companies as soon as possible. Officers will continue efforts to encourage companies to take this step.

Representatives of Maryland association, E. Churchill Murray of Annapolis and C. K. Oakley, executive secretary, discussed the association's resolution that a nationwide campaign be inaugurated at once to familiarize the public with why it is to their ad-

vantage to deal with independent agents operating under the agency system.

Operations of Federal Crop Insurance Corp. were detailed by Maurice G. Herndon, Washington representative. FCIC started in 1954 on its new program of representation by local agents and wants to expand its base of crops covered but has no funds to do so.

Though the new FCIC hierarchy came into office with the purpose of economy, officials indicate that if the FCIC program is to be put on a sound footing it must have more money initially to expand the crop base, needs to increase rates in order to pay its own way and must have authority from Congress to allow administrative costs to be included in the rates. Neither of the latter two proposals is apt to be adopted by Congress this year.

Present estimates are that local agent appointments exceed 10% of total appointments, Mr. Herndon said. However, attrition among FCIC agents is expected to be heavy with most replacements expected to be local agents. Ultimately, local agent representation may exceed 40 or 50%.

Officials, to keep away from criticism of possibly having some of its new FCIC agents start engaging in selling other insurance in competition with established agents, are thinking of making FCIC representation exclusive—FCIC representation only, he indicated. FCIC officials state frankly the new operation has in it a lot of flaws and weaknesses but are confi-

dent they can work out most of the problems.

Mr. Herndon thinks Sen. Langer may let FTC carry on for a while with the mail order A&H investigation. FTC is sending more than 800 insurers elaborate questionnaires to start off the inquiry, which promises to be long drawn out.

Robert E. Battles of Los Angeles said that of all those in insurance the producer is outstandingly the best qualified to speak on multiple line underwriting. He has been an ML underwriter from the day he entered business. It is the essence of the producer's function to assemble a collection of separate coverages and combine them into a single protection program for clients.

For insured there are two principal categories of insurance, protection for his own property and protection against the effects of liability. The public can be best served by concentrating initially on the problems of insuring the owner against loss of or damage to his dwelling and personal property. After this, he said, it might be in order to seek a truly workable method of combining auto liability with CPL. Then auto material damage could be combined with the PPF, thus providing broad cover on all personal property in one broad form. The next step would be a single item policy covering direct and consequential damage to all one's property, real and personal.

The ultimate in MP underwriting, he said, is a long way off. To arrive at it most promptly, with the fewest errors and least confusion, efforts should be directed to perfection of the first elements. Companies should spend their time improving present coverages rather than combining coverages.

Kenneth Ross of Arkansas City, Kan., said most agents are interested in multiple peril policies but feel these and their development will mean a commission cut. Possibly it is time for NAIA to take a definite stand on development of MP, package and broad form contracts. Companies are mixing up property and third party liability business where there is no reason to do so, he said.

Arthur M. O'Connell of Cincinnati said it would help to provide a separate all risk liability policy and a separate all risk property policy. Mr. Ross also foresees the possibility of losing business to financial institutions, if agents are given package policies.

The executive committee will recommend to the steering committee of the National Board that the subject be put on the agenda for the Seattle meeting.

Plans for the annual convention Oct. 4-7 in Chicago were outlined by George R. Cross, NAIA convention manager. In an attempt to obtain the maximum use of the convention period, the executive committee plans to introduce some innovations in the present convention program schedule.

Future convention sites and preliminary arrangements for the combined meeting of the Far West Agents Conference and the national board of state directors, April 11-13 in Seattle, were discussed.

John F. Neville, executive secretary and general counsel, reported on the progress of the "Study of the Legal Aspects of the Insurance Agency" which is being prepared by him and

(CONTINUED ON PAGE 31)

## Propose 3.5% Rate Reduction in N. C.

Commissioner Gold of North Carolina has called a public hearing for Feb. 5 on a filing by North Carolina Fire Insurance Rating Bureau proposing a 3.5% reduction in fire rates.

The bureau estimated the reductions would amount to \$1,008,141 annually. The proposed cuts actually range from 5% to 26.66% but they affect only 11 groups.

In premium dollar value, the reductions proposed by groups are: Residential \$147,971, mercantile buildings \$156,789, mercantile contents \$206,578, non-manufacturing \$298,287, warehouses, etc., \$126,897, food products \$15,722, textiles \$18,285, wood products \$15,889, printing and allied industries \$4,174, stone, clay, minerals \$6,701, and oil risks \$10,848.

In addition, the bureau proposed to eliminate the present one cent charge of additional families up to four in a dwelling. This would bring about a reduction estimated at \$91,187. Still another proposal would increase from 5% to 10% the credit for self-inspection, fire prevention and safety service in the rating of protected educational institutions of fire resistive construction.

No change is proposed in extended coverage rates.

## G. F. Richardson Joins Stewart, Smith in Ill.

G. F. Richardson has joined Stewart, Smith (Illinois) Inc., associates of Stewart, Smith, Ltd., of London, and will act in a general capacity.

A 30-year marine and general insurance veteran, Mr. Richardson spent several years with North America and Atlantic Mutual, working closely with agents throughout the midwest. Because much of his company background has been concerned with production, Mr. Richardson possesses a thorough understanding of agency problems.

He started in the business in 1919 at Hamilton, Ont., with the Jennings, Ltd., agency. He went with the western marine department of North America at Chicago in 1928, later transferring to Grand Rapids as marine manager and then to Detroit as associate manager. He was named manager for Atlantic Mutual at Pittsburgh in 1939, returning to Detroit in that capacity in 1944 and three years later went to Chicago to open the company's midwest division. He is a brother of J. S. Richardson, resident vice-president of Standard Accident at Chicago.

## Pansing, Neb., Turns Down Annual Extension Filings

Director Pansing of Nebraska has signed an order as the result of a hearing in November that disapproves filings of the annual extension (renewal) plan for fire insurance effective Feb. 15.

The Detroit A&H office of Continental Casualty is now in the new quarters at 505 Ford building. Arch Parker is the manager. The new offices are adjacent to the Michigan service office of Continental, of which Ron Green is the manager.



G. F. Richardson

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Excess or Primary	Personal Accident

Aviation	Marine
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## American Makes Number of Home Office Promotions

American group has announced several changes and promotions effective Feb. 1.

B. C. Vitt, president of American, has been elected president of Bankers Indemnity to succeed Harold P. Jackson, who is retiring Feb. 1 under the group's pension plan. Mr. Vitt has been chairman of Bankers, which position is being discontinued.



Bruno C. Vitt

A. J. Victor, formerly chief underwriter of Fireman's Fund Indemnity in the eastern department at New York City, has been elected a secretary of American. Also elected were O. Ray Carlson, secretary, George H. Riggs, secretary, and Victor L. Pitchford and Louis A. Schneider, assistant secretaries.

Mr. Victor began with Standard Accident at New York in 1925. After five years he joined Fireman's Fund Indemnity there as underwriter. In 1935 he was promoted to assistant manager of the automobile department, and later advanced to manager. After army service he returned to Fireman's Fund. In 1945 he was named manager of the special risks department. Subsequently, he became assistant chief underwriter for all lines and later assistant manager of the agency department. He was promoted again in 1951 to chief underwriter of the eastern department.

Mr. Victor has served as a member of the automobile rating committee of National Bureau of Casualty Underwriters and has been chairman of Automobile Casualty Underwriters Assn. In his new capacity, he will have overall supervision and full responsibility for casualty and automobile underwriting of the American group.

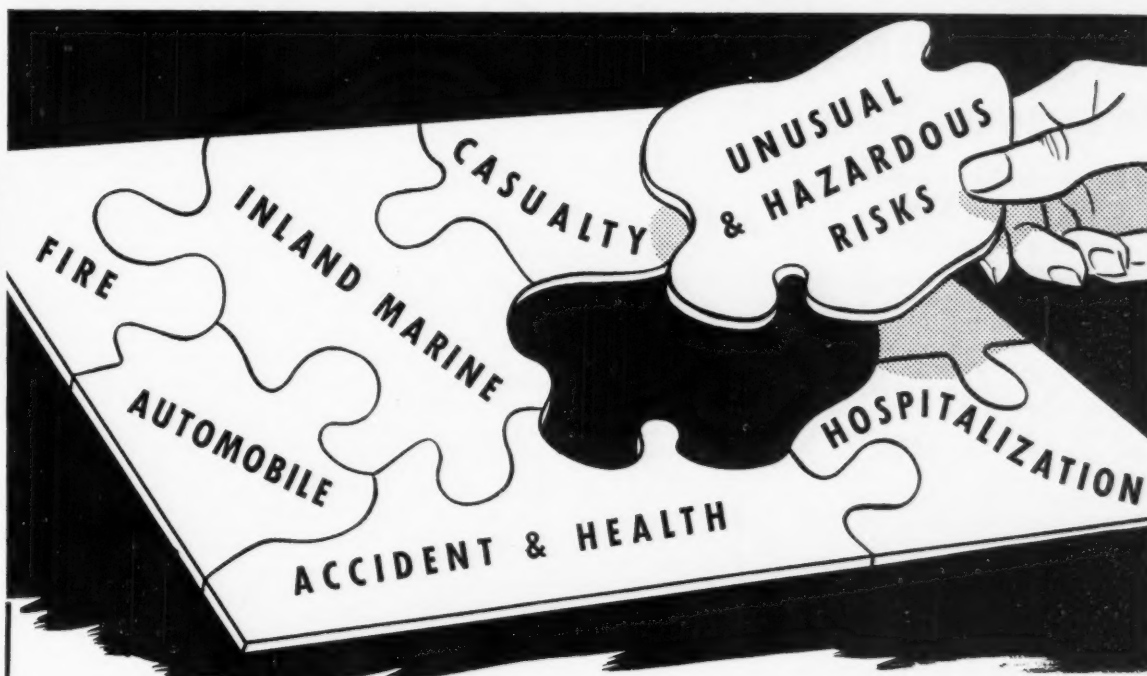
Mr. Carlson entered insurance in 1923 with Home. He joined American at the home office in 1926 as an assistant examiner, becoming examiner in 1919 and entering the New Jersey field in 1933. In 1935 he transferred to Harrisburg as special agent for central and eastern Pennsylvania, returning to the New Jersey field in 1942. In 1944 he became manager of the automobile department. He was elected an assistant secretary in 1947, and was named a field supervisor in 1950. He will assist Mr. Victor in general supervision of automobile, with Assistant Secretary Frank H. Buck continuing to supervise the department directly.

Mr. Riggs joined American in 1925, successively becoming assistant examiner in the improved risk department, superintendent, assistant manager of fire underwriting and manager. He was elected an assistant secretary in 1948. He continues his fire underwriting executive duties.

Mr. Pitchford began with Marine Office of America in 1932, traveling New Jersey. In 1938 he joined American as a marine underwriter, and became a special agent for all lines in Essex county, N.J. He then transferred to Baltimore, was recalled to the home office as a field supervisor, and will con-

(CONTINUED ON PAGE 18)

## HERE'S HOW WE FIT INTO YOUR PICTURE...



assisting insurance agents and brokers by providing markets for difficult, unusual, or surplus lines of insurance. For example:

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- AMUSEMENT PARKS—public liability
- CARNIVALS—liability and floater coverages
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- AUTOMOBILE MATERIAL DAMAGE—long haul, taxicabs, busses
- EXECUTIVE GROUP HOSPITALIZATION
- MALPRACTICE INSURANCE—doctors, dentists, hospitals, etc.
- HAND DISABLEMENT COVERAGE—musicians, surgeons, etc.
- PRIMARY AND EXCESS PUBLIC LIABILITY AND PROPERTY DAMAGE—hazardous or unusual risks
- EXCESS MOTOR TRUCK CARGO—(Primary where no filing required)
- AUTO RACES—liability
- AUTO RACE DRIVERS—personal accident
- OPEN STOCK BURGLARY, ROBBERY, ETC.—(unusual or hazardous risks)
- FIDELITY—primary and excess
- WORKMEN'S COMPENSATION—excess catastrophe or excess aggregate
- ERRORS AND OMISSIONS COVERAGE—insurance agents, architects and other professions
- UNUSUAL INLAND MARINE COVERAGES
- REINSURANCES ON INDIVIDUAL RISKS AS WELL AS TREATY BASIS

This is, of course, not a complete catalog of all the coverages we can afford through our facilities, but this will serve to give you some idea of the extent of our markets.

This agency writes no direct business, accepting coverages only when placed through licensed agents or brokers.

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## Hospital Care Cost Report Avoids Bias on Insurance Plans

**Company Representatives Credited with Averting Pro-Blue Cross Slant**

There is no outright endorsement of either the service approach to hospitalization insurance, typified by the Blue Cross, or the indemnity approach, the usual insurance company method, in the report released this week by the commission on financing of hospital care. The commission was appointed in 1951 by the American Hospital Assn. to study the subject.

The report bears down pretty hard on what are considered to be the distinct limitations of the indemnity approach, such as selling on price rather than with due regard to the level of hospital costs in the community. However the feeling among insurance people who have been following the commission's deliberations is that the report could have been a lot worse, slanted in favor of the insurance business's main competitors, and doubtless would have been if it had not been for the effective work done by insurance representatives on the commission or assisting it.

There were strong pressures within the commission and its staff in the direction of socialization and the fact that the report does not exclusively recommend the service approach and comes out for local rather than federal subsidy of hospital care for the needy can be viewed as a direct result of vigorous protests by insurance company people and by certain of the "public members" who strongly resisted socialistic and impractical "dogooder" proposals that were advanced.

Federal government participation in financing of hospital care is suggested at several points in the report but mostly this is suggested as a last resort. In such cases certain safeguards are provided, as for example limiting funds to experimental or pilot projects with definite termination points. The only major exception is the recommendation for extending the federal old age and survivors insurance system to needy beneficiaries of that system if employers fail to extend hospital benefits to retired employees. However, the dissent of one of the commission mem-

bers, E. J. Faulkner, president of Woodmen Accident, is given in full in the report.

The report recommends a substantial amount of activity by hospitals in their own communities, not just in educating the public on the need for hospitalization insurance but also on the appraisal of the adequacy of prepayment benefits.

Emphasis is given in the commission's recommendations to developing measures for keeping prepayment costs as low as possible by eliminating unnecessary admissions to hospitals and reducing unnecessary use of hospital beds prior to treatment. The commission suggests prompt discharge of patients after medical need no longer exists and the curtailment of unnecessary use of hospital beds for diagnostic and other services which can be given on an ambulatory basis, as effective ways to reduce the cost to the public of prepaid hospital care. To effect the latter procedure, hospitals are asked to encourage the inclusion of out-patient service in prepayment contracts.

To accomplish the three objectives of maximum population coverage, broad benefit provisions, and lowest possible cost of prepayment, the commission recommends also the developing of methods to enroll those not now covered by prepayment in sufficient numbers, such as uncovered dependents of insured, the self-employed, farm operators and their employees, employees of small firms, employees retired under pension plans, employees temporarily out of work, domestic employees, migratory workers, and persons receiving workmen's compensation benefits.

Also recommended are encouragement of employer participation in prepayment plans, and exploration of methods for covering individuals and families by prepayment during temporary unemployment and during prolonged disability.

Low-income families should be encouraged to budget through prepayment for the cost of adequate protection, rather than to purchase inadequate benefits or rely on public funds for payment of care at the time of hospitalization, the report says, adding, "Experimental programs should be instituted to reduce the cost of prepayment to bring protection within reach of this group. Tax funds may be required for such experimental projects."

The report says that particular attention should be given to reduction of the multiplicity of benefit patterns to a much smaller number than is now found in most communities; extension

(CONTINUED ON PAGE 32)

## American Casualty Auto Rate Credit Rewards Past Record

American Casualty has introduced a 10% "no-accident" credit plan in Pennsylvania for accident-free motorists. The plan gives a reduction of 10% in the applicable manual rates for private passenger automobiles. It is superimposed on the new National Bureau seven-classification rating schedule.

The credit applies as of the effective date of the policy to BI, PD and medical payments, for risks that have been accident-free for a period of two full years prior to the date of the signed application for insurance. Neither insured nor his automobile can have been involved in an accident for the preceding 24 months, and if he is married, the wife must also have a two-year accident-free record.

The plan differs from most in that the 10% credit is given when the policy is written, since it is based on the insured's past driving record. He need not wait a year for his rate reduction to become effective.

The two year period was selected both because of its greater creditability and to encourage safe driving. The company estimates that for the average territory and classification, an automobile will be involved in only one accident every seven years, so that a 10% credit for two years of accident-free operation is a generous reward, and a strong incentive for safe driving. Each policy issued under the plan will carry a gummed sticker on the face, stating that a "no-accident" credit has been allowed.

The 10% credit is applicable only to cars classified as private passenger automobiles. It is not applicable to any policy written under an assigned risk plan, to automobiles which are fleet or experience rates, or which are rated on a payroll basis.

## Swiss National in N. Y.

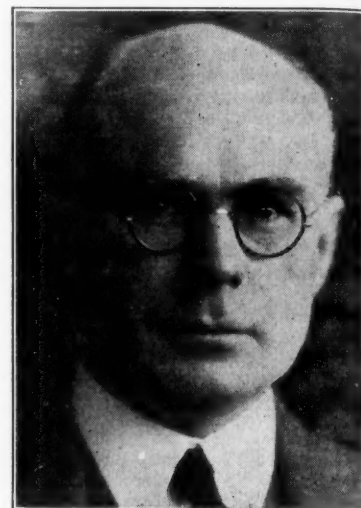
Swiss National Ins. Co., Ltd., of Basel, Switzerland, has been licensed in New York. This follows closely upon the company's entry into the United States.

Operations of the company in this country are confined to reinsurance of fire and allied lines. Joseph Weintraub heads the management of the company in the U. S. and Ray K. Davis is vice-president of Joseph Weintraub, Manager, Inc. U. S. offices are at 901 N. E. Second avenue, Miami, Fla.

## Parsons Retires; Junker Chairman of Crum & Forster

**Ridgway New C. & F. President; Ross Heads Three Biggest Insurers**

J. Lester Parsons, chairman of Crum & Forster and of the insurers under its management, United States Fire, North



J. LESTER PARSONS

River and Westchester Fire, has retired as an officer of the companies. He will continue on the board of all the companies, as honorary chairman of Crum & Forster and as chairman of the executive committees and of the finance committees of the insurers. He has been with North River since 1892 and became a partner in Crum & Forster when it was organized in 1896.

Harold Junker, formerly president, succeeds Mr. Parsons as chairman of Crum & Forster and the insurers in the group. He has served with the organization more than 50 years.

William C. Ridgway, Jr., has been elected president of Crum & Forster and Alexander L. Ross has been made president of U. S. Fire, North River and the Westchester Fire. Mr. Ross will continue as executive vice-president of Crum & Forster. Thorin T. Grimson, who will succeed Mr. Ross as executive vice-president of the insurers, was

(CONTINUED ON PAGE 20)

■ **WIDE**  
**SURPLUS LINE FACILITIES**  
**FOR OHIO AND**  
**SURROUNDING**  
**STATES**

# MIDWEST UNDERWRITERS

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## Saskatchewan F&G Still Not in Smooth Waters in Montana

Saskatchewan Fidelity & Guarantee, the socialistic insurer of Regina, which has had insurance of a license in Montana by Commissioner Holmes approved by the state attorney general, is going to be in for some rough sledding in the courts despite this approval, according to all indications.

The agents' association probably will instruct its law firm, Loble & Loble of Helena, to file an injunction within the next two or three weeks.

Meanwhile, there is being circulated in Montana some reprints of editorials from Regina newspapers, criticizing the action of the company going into Montana. One editorial mentions that one of the arguments in setting up Saskatchewan F. & G. was to keep in the province of Saskatchewan premiums that were being siphoned away by foreign insurers, while now the government insurer is going into Montana to siphon the dollars from there.

Another point made is that the taxpayers of Saskatchewan are going to pay to have the company get into what is undoubtedly going to be a red-hot competitive situation.

## Insurance Business Has Big Year in Tex.

While less spectacular than in 1951 and 1952, the insurance business in Texas made gains during the past year and insurance men of the state termed 1953 a "satisfactory year."

The biggest single event in Texas insurance in 1953 was the tornado that struck San Angelo and Waco on May 11, causing a total property damage of about \$30 million and insurance losses of more than \$9 million, with the paid losses in Waco being about 80% of the total.

The catastrophe plan of the insurance business proved its worth again by helping to bring order out of chaos, with supervisory offices being set up by National Board of Fire Underwriters and by mutual companies and with many storm adjusters sent to the cities by the General Adjustment Bureau. Most of the claims were adjusted within 30 days after the disaster.

During the fiscal year ended last Aug. 31, premiums for the various automobile coverages increased 46.8% to a total of \$207,523,100. It is estimated that about 55% of Texas automobile owners carry liability and property damage insurance, resulting in part from the financial responsibility requirements of the new safety law.

Despite the heavy tornado losses last May, conditions in the fire and extended coverage lines have continued generally favorable. An increase of about 4% in fire premiums in 1953 for a total of approximately \$66 million and a gain in extended coverage business of about 8% for a total of about \$45 million is indicated by early reports.

Late in the year the Board of Commissioners ordered reductions in many fire insurance rates, with the net overall reduction estimated at \$1 million. Business men won a rate reduction on their workmen's compensation line, with the decrease in premiums estimated at \$4 million on the basis of reported payrolls.

New laws enacted in 1953 affected two branches of the business. One was the authorization to form a pool to

handle workmen's compensation lines that could not be placed through normal channels. The other dealt with the insurable interest law of life insurance.

The commissioners made top personnel changes during 1953. Early in the year Paul H. Brown, fire commissioner, became seriously ill and has been unable to assume his official duties since. George B. Butler, life commissioner and board chairman, died in September. He was succeeded by Garland A. Smith, who had been casualty commissioner. J. Byron Saun-

ders was named to fill the casualty commissioner's post.

## Guns Quieted in Ore. Auto Rate War

The Oregon automobile insurance rate war has quieted down since Safeco announced a further 12% reduction from the rate cut of Oregon Automobile made earlier this month. Oregon Auto previously had dropped its rates 12% to meet the Safeco level. Safeco then made a further 12% reduction.

Meanwhile, a number of other non-bureau agency companies have met the Oregon Auto rates, among them United Pacific, General Casualty, American Automobile and others.

It now appears that the rate level for non-bureau companies is divided between the Oregon Auto established level and those non-bureau companies which are adhering to bureau rates. According to reports from Salem, no further rate reduction appears to be in the offing as respects the non-bureau companies, leaving Safeco about 12% below on an average state-wide.



### HOW MANY "HIDDEN CONTRACTS" IN THIS PICTURE?

"We've discovered many of them, thanks largely to the informed, dependable efforts of Clarence B. Pedersen, Fire Association-Reliance Fieldman," say Francis I. Johnson and William D. MacDonald, Officers of MacDonald & Johnson, Inc., 1387 Main St., Springfield, Mass.

As one of Springfield's most successful agent teams, Mr. MacDonald's and Mr. Johnson's tribute to Clarence Pedersen is especially revealing.

It shows clearly the manner in which a typical Fire Association-Reliance Fieldman is attuned to local conditions, and how he is capable of converting that knowledge into an agency asset.

Such testimonials to the capabilities of Fire Association-Reliance Fieldmen are not unnatural, for they have been trained to earn the respect and appreciation of agency men everywhere by simply being able to offer more help

● Left to right, Mr. Francis I. Johnson, Mr. William D. MacDonald, and Mr. Clarence B. Pedersen, Fire Association-Reliance Fieldman.

than is expected, and in more ways.

A man who *knows* insurance, who has the authority to make time-saving on-the-spot decisions, who knows your local market thoroughly, who is willing and capable of working closely with you and your client, who is carefully selected and trained by companies that will never grow too large for "family feeling", nor lose their high regard for personal relationships—all of these ingredients are inherent in the Fire Association-Reliance Fieldman in your territory.

Why not have a talk with him soon?



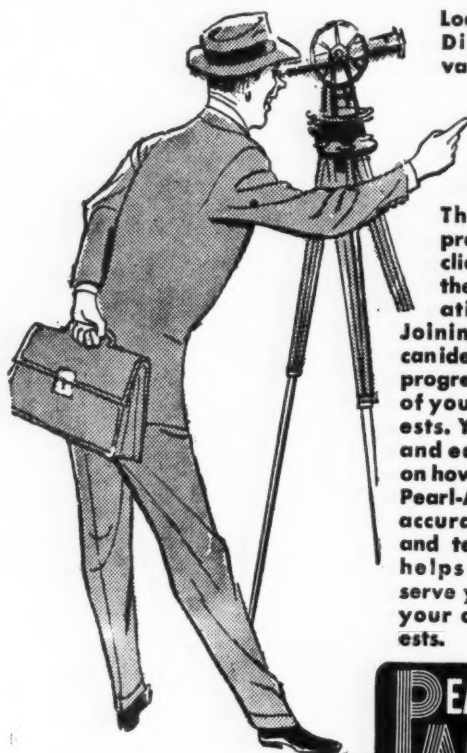
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## Depreciation Cover on Equipment of Chubb & Son Arouses Interest

NEW YORK—The depreciation insurance which Chubb & Son has been offering for seven months has proved popular with agents and insured and has elicited many inquiries from over the country.

Depreciation coverage on buildings is not new and is generally available in the American market, by use of an endorsement usually termed replacement cost insurance.

However, depreciation coverage on furniture and fixtures and on machinery is new in the American market. Insured previously had to go to London for accommodation.

F. W. Wrenn, head of the fire underwriting department of Chubb & Son, explains that the coverage contains three items—(1) on building and completed additions and extensions, including all fixtures and equipment belonging thereto and pertaining to its service; (2) on store and office furniture and fixtures, counters, shelving, showcases, scales, desks, safes, typewriters, cash registers, pictures, paintings and engravings, including their frames; electrical apparatus, appliances and devices; stoves, awnings, signs and metal smokestacks, etc.; tools, implements, utensils, printed books and supplies, etc.; and (3) on machinery incidental to the business of insured and identified in an appraisal of the property.

The coverage is effective in California, Colorado, District of Columbia, Georgia (on machinery), Illinois, Indiana, Iowa, Kansas, Kentucky, Maine (schools), Michigan, Missouri, Nebraska, New York, North Carolina, Ohio, Oklahoma, Oregon (furniture and fixtures and machinery), Pennsylvania, Rhode Island, South Dakota, Tennessee, West Virginia, and Wisconsin, and has been filed in Connecticut and Maryland. The rate is the applicable coinsurance rate for the item covered.

The policy excludes foundations, underground flues and pipes, wiring and drains, and trees, plants and shrubbery; any loss unless the property is actually repaired, rebuilt or replaced; loss caused by enforcement of state or municipal law or ordinance; if the company or companies on the direct property damage elect to repair, rebuild or replace; or any electrical injury or disturbance to electrical appliances, etc., from artificial causes.

The coverage is written separately or in connection with the sound value insurance. It can be added to insured's portfolio of coverage without disturbing existing insurance.

It has attracted inquiries from substantial risks with large values that produce a substantial amount in the gap between sound value and replacement cost. One reason for this, Mr. Wrenn points out, is that where a business sets aside reserves for depreciation, they are often used for other purposes. If there is a loss, the reserve is largely theoretical. The money has been reinvested in stock, etc.; at the time it needs it the business does not have the ready cash. In many states when depreciation insurance is added to a policy it is necessary to use the 100% coinsurance clause, but this is not the case with Chubb & Son cover; it can be used on an 80 to 100% contribution basis.



## the "REPUBLICRAT" of early PENNSYLVANIA

"Democratic - Republican" was the single major party opposing the Federalists in Pennsylvania, following her admission to the Union in 1787.

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## AIA Holds Meeting, Elects M. W. Heard

American Insurance Assn. last week held its first meeting since the one at which it was organized.



M. W. Heard

A. B. Jackson, president of the St. Paul group, presided. He was elected chairman at the initial gathering.

Manning W. Heard, vice-president of Hartford Accident, was named vice-chairman, a post that was not filled at the outset.

The group, which has the purpose of providing a forum for top level executives of the fire, marine, casualty and surety business, will hold another meeting in February.

## Veteran Employees of N. H. Group Meet, Elect Officers

Four new members were admitted in Old Man of the Mountain Club of New Hampshire group at the annual dinner meeting. This is the 25-or-more-year club.

New members are Martin C. Cherry, vice-president; Einar C. Rohlin, resident secretary at Jacksonville, Fla.; William Chandler, state agent at White Plains, N. Y., and Harold F. Hawkins, state agent in Connecticut.

President Lester S. Harvey, a member of the club, presented all active members with tie slides embossed with the club emblem, the Old Man of the Mountain, and each is engraved with the member's name and the date of his first employment with the group.

Membership is now 76, domiciled in many sections of the U. S. and Canada. Officers elected are Charles E. Kuehn, president, James A. Fullam vice-president, Ralph H. Miller secretary and Edmund W. Hill treasurer. Morris C. Clark, the outgoing president, was elected a trustee.

After the business meeting President Harvey showed colored moving and still pictures which were taken on his recent trip to Europe.

## Phoenix London Advances L. L. Denson and M. A. Olson

Phoenix of London group has promoted Leon L. Denson to assistant manager at Philadelphia. He has been with the group since 1946, latterly as senior casualty underwriter at Philadelphia.

Merrill A. Olson becomes assistant manager of the Pacific Coast department. He has been with the group since 1938, handling underwriting and production positions in Los Angeles and San Francisco.

## Names Surety Special Agent

Harvey R. Cooley has been named special agent in the fidelity and surety department of Continental Casualty in the east. He will cover Virginia, North and South Carolina, and will have offices in the Seay building, 3122 West Clay street, Richmond. Robert T. Schaller is vice-president in charge of the eastern surety division of the company.

## Defeat Auto Rate Inquiry

The Massachusetts house defeated by three votes a move to reject an adverse committee report calling for an investigation of compulsory automobile rates. Rep. Canavan, critic of the present compulsory auto law, claimed an injustice had been perpetrated on youth of the state by the 60% increase in rates for drivers under 25.

Earlier in the session, another auto

insurance problem plagued the committee on insurance. Sen. Rudsten and Reps. Canavan and Pressman urged approval of a flat rate plan they claimed would result in premium payments of \$30 and \$33 per year for all drivers.

Edward F. Connelly, counsel of American Mutual Alliance, contended such a plan would cost drivers \$42 per year.

Bartholomew County Insurance Agents Assn. will inspect Columbus, Ind., Mar. 18.

## Stone, McCabe, Others at Combined Meeting

More than 150 managers and their wives attended the recently concluded convention of Combined of Chicago group at Miami Beach, Fla. All 48 states were represented. W. Clement Stone, president; S. E. McCabe, executive vice-president; M. P. Lowman, secretary, and W. R. Arrington, vice-president and general counsel and chairman of the judicial committee of the Illinois house, represented the home

office and gave talks, and there was an address by Dr. Napoleon Hill, the author and lecturer.

The Combined group consists of Combined of Chicago, Combined American of Dallas, Hearststone of Boston and First National Casualty of Fond Du Lac, Wis.

## Malo to Address N. Y. Buyers

A. H. Malo of Lumbermen's Mutual Casualty will discuss auto, public liability and workmen's compensation Jan. 28 before New York chapter of National Insurance Buyers Assn.

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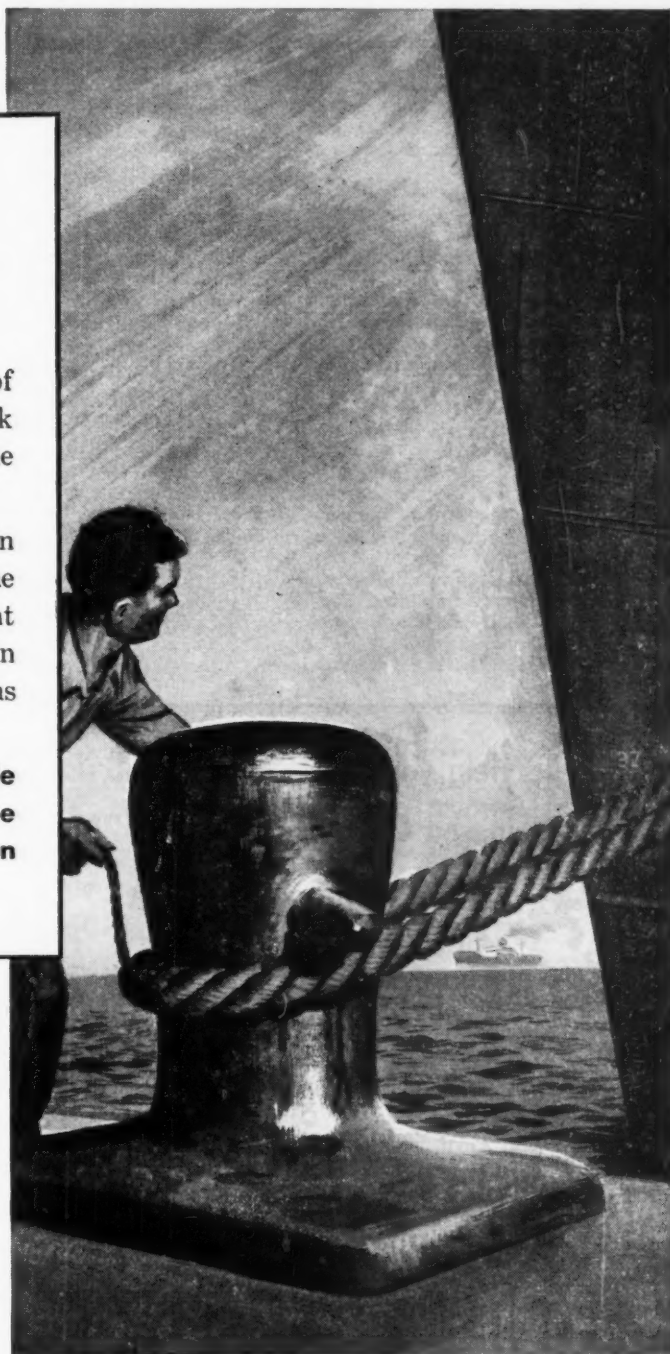
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## N. Y. Dept. Issues Guide on Individual, Blanket A&H Forms and Rates

NEW YORK—The insurance department has issued its "Guide for Filing Individual and Blanket A&H Forms and Rates." This is the move by the department which Deputy Superintendent Murphy has been discussing with representatives of the business for some time.

Every policy form and rider or endorsement affecting the premium rate or coverage shall be submitted for approval, and shall be accompanied by the rate schedule in duplicate, separate from a letter of submission.

The schedule of rates shall show up the policy fee or rate changes at renewal, if any, and variations, if any, based on age, sex, occupation, or other classifications.

Except as modified from time to time to provide more expeditious transaction of the processing of policy forms, rate filings shall be accompanied by anticipated loss ratios.

The insurer may at its option include its experience or judgment in adapting for its use the particular statistics, experience, formula or factors involved in calculating rates and may at its option include the experience of other insurers, unusual expense factors, special reserves or other relevant information.

Revisions of rate filings shall be accompanied by a statement of the reason, experience on the form and other relevant information.

Attention of the insurer is called to the desirability of maintaining adequate statistics to enable it to explain variations in its experience.

Policy forms may be submitted for

okay either after or without a preliminary review of the matter with the department. The form is to be accompanied by the letter of submission which shall include, among other things, the coverage provided if it is a new form, or if it is intended to supersede an approved form, an outline of rules as to limits, age, amounts and classifications of eligible risks. Riders or endorsements shall have the form numbers, identifying symbols or types of policies with which it is to be used.

Policy form means any policy of individual A&S as defined in section 164 of the insurance law, blanket A&H as defined in section 222, noncancellable disability insurance to which section 164 is applicable, any certificate used in connection with blanket A&H, any rider, endorsement, insert policy or copy of application which is to be attached to or printed or stamped on or inserted in and made a part of any such policy, and any application used in connection with any such policy when attached to it.

Insurer is to file two printers' proofs of the policy form for preliminary review, or this may be in typed form. It is not for use generally.

## Chicago Mariners Elect

Chicago Mariners elected as officers for 1954 the following: Skipper, Frank J. Packee, Northwestern National Ins. Co.; first mate, A. J. Andrews, American Ins. Co.; purser, Norman France, National Union Fire; jimmy legs, William H. Moloney, Hartford Fire, and yeoman, Harold Bredberg, National Service & Appraisal (reelected).

Clarence Wonnacott, superintendent of the Latter-Day Saints hospital at Salt Lake City, addressed the local Blue Goose on "Hospital-Medical Care".

## A.&H. Assn. of N. C. Formed; Hurley at Helm

North Carolina Assn. of A&H Underwriters was organized at a meeting in Raleigh attended by 90 agents. Webster Hurley of Charlotte was elected president; Fred Sarles of Greensboro vice-president, and James Richey of Charlotte, secretary-treasurer.

Harry Tasman of Wilson was named chairman and O. A. Stubblefield of Raleigh, John A. Moran of Wilmington, Charlie Hooper of Winston-Salem, Morgan Shatley of Franklin and Mrs. Virginia Laxton of Durham, directors.

Speakers included John G. Galloway of Birmingham, Ala., chairman of the International association; Thomas E. Callahan of Milwaukee, its president; William G. Coursey of Chicago, managing director, and Commissioner Gold.

The public committee studying sudden terminations of A&H insurance problems in North Carolina will meet Jan. 26, according to Commissioner Gold. The meeting will be at 11 a.m. in his office in Raleigh.

Mr. Gold designated Rep. Clifton Blue of Aberdeen as chairman of the committee and said it will discuss recommendations made by an industry committee and whatever else it wishes to take up. Mr. Blue has expressed doubt concerning the value of the industry group's proposals that companies be required to file with the department a statement of their termination practices and that a condition prior to cancellation of policies which have run for more than three years be that benefits paid out at least equal premiums paid in.

Former Commissioner Waldo C. Cheek, Charlotte, is a member of the public committee.

## Safety Meeting May 4-6

WASHINGTON—The President's conference on occupational safety will be held May 4-6 here with 1,200 business, insurance, labor and safety leaders attending. Conference objective is reduction of the annual toll of 1.45 million disabling injuries and 8,800 deaths.

The meeting will be preceded May 3 by sessions of 500 safety technicians in conference committees. These include the committee on engineering, of which J. C. Stennett, National Assn. of Mutual Casualty Companies, Chicago, is chairman, and the committee on governmental safety services to industry, with John V. Grimaldi, Assn. of Casualty & Surety Cos., as chairman.

## Effect of Reinsurance

Because of reinsurance, the effect of the Worcester tornado on the two home companies there was relatively small. A year-end review of the companies' operations shows that Worcester Mutual Fire, which marked its 130th year in 1953, had gross loss of \$2,500,000 and a net of \$600,000, and Merchants & Farmers Mutual Fire had a gross of \$400,000 and a net of \$48,000. Following the tornado the extended coverage sales of the two insurers increased 50%.

## Agents Hear WC Problems

Problems involved in workmen's compensation experience rating were discussed by E. A. McGee, manager of the District of Columbia and Maryland Workmen's Compensation Rating Bureau and of the D.C. Assigned Risk Bureau and a former member of Maryland industrial accident commission, at a meeting of D.C. Assn. of Insurance Agents.

Committee chairmen appointed by the association are Huntington T. Block, to organize and plan April 29 celebration of D.C. insurance day; and

Ed Bachschmid, legislation activities and to supervise three committees to study D.C. agents' licensing law, the proposed security-type auto financial responsibility bill and the non-resident countersignature act. Maury Young is head of the subcommittee on the licensing law.

North America, set to terminate rating organization subscription for certain dwelling lines on March 1, has withdrawn its independent filings for a homeowner's comprehensive policy, it was announced.

Members of DCAIA have resumed their joint advertising campaign to stress the importance of the agent and his services.

## NAMIA Plans Member Drive

A program to emphasize present services and increased benefits to members has been adopted by National Assn. of Mutual Insurance Agents. The over-all objective for the association is doubling the membership during the next five years. Present membership is about 5,000.

In outlining the plan, Benjamin G. Sager of Cleveland, chairman of the association's planning committee, said the association opposes coercion in placing insurance by lenders; it will support improved agency qualification laws in all states, and will try for 100% participation in the errors and omissions coverage it has for members.

## New Orleans Exchange Elects

James C. Kraus has been elected president of New Orleans Insurance Exchange. Other officers are John Singreen, vice president; Alfred M. Barnes, Sr., secretary; and Leonard M. Wise, treasurer. New members of the executive committee are Charles L. Rittenberg, retiring president; Bela A. Lynne, W. Horace Talbot, John A. Barry, W. Ferguson Colcock and Norris J. Nolan.

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## Buyer Lists Rules for Small Store to Follow in Handling Its Insurance

Ernest L. Clark, assistant treasurer of the J. C. Penney Co., and long prominent in insurance buyers circles, presented some sound advice on insurance to the smaller stores division of National Retail Dry Goods Assn. at its annual convention. The pitfalls in the insurance program of small stores may be in lack of, incomplete or overlapping coverage, or failure to observe some of the requirements of the contracts. It is impossible to anticipate what these might be, because it is only when something happens that they are found.

He advised the way to avoid pitfalls is to give the insurance program careful, long and continuous study, because it is one of the most important programs of the store and may mean its very existence.

Any small organization is under a greater handicap than large organizations in handling insurance, principally because no one person of executive status can devote sufficient time to the subject. Even for a small organization this is a full time job. It takes a trained manager capable to meet the requirements of the job.

Insurance is an important factor in today's business. Without proper insurance, an organization, no matter how small or large, may find that improper insurance at the time of the loss will threaten its existence. No store would think of having its piece goods purchased by a buyer who had had only a casual knowledge of textiles. Yet often the purchase of insurance is performed by someone in the store who has little or no training in fundamentals of what he is buying.

There are several ways of meeting this situation. A good one is to find in the executive office a young man who has given signs of being able to develop into an executive, who is willing to do extra curricular work and who is of the eager type that wants to learn, and put him in general charge of insurance. Let him learn by reading insurance publications, studying insurance manuals, or even taking a course in insurance. Let him do the spade work on the insurance. Let him get all the facts together, review contracts, study what occurs in the organization and relate it to insurance. Bring to the officer in charge the summation of matters for top decision. Then the store has someone following through on insurance without depending on finger-snap decisions. It avoids many oversights that might occur if insurance is only incidental to other activities of the executive in charge of insurance.

Whether or not this suggestion is followed, every business should have a broker, agent, or trained advisor who will assist him in the purchase of insurance. This does not mean that the store can select anyone for this job because he is in the insurance business. Select him carefully.

Insurance contracts should not be evaluated by the amount of premium paid, Mr. Clark declared. The value of each contract is the large amount that it would pay if the loss it insures should occur.

Too often a store has an agent or a broker to whom it does not give all of its business. The result is the compensation he receives for his work, measured by the commission on the business he negotiates, is insufficient to enable him financially to render as complete service as is required. When business is split among several agents, the service is necessarily limited. The splitting of the business to gain local goodwill or to provide a relative a handout is a bad practice, and the store is the one that suffers.

"A saving of a few dollars in one

form of insurance by placing it separately is more then lost through the loss of services that you fail to secure because you have reduced the income to the man who would be able to give you a broad field of advice," he declared. "All of your insurance must be within a single purview. All insurance problems are inter-related. It should be remembered that there is hardly any activity of any kind that is carried

on in operating a retail store that in some way does not relate to some form of insurance."

Insurers, agents, brokers and advisers comprise valuable sources of information on means of preventing losses from happening. This is one of the most important functions of any insurance program.

No one, he declared, ever has made a profit out of the loss because the total loss, tangible and intangible, can never be collected under any form of insurance. There are always attendant costs that never show up on the proof of loss but do show up in the profit and

loss statement at the end of the year. Recently it was calculated that the average cost of an industrial accident to an employee was about \$65. The intangible costs amounted to \$260.

When suggestions are made that might prevent a loss, the store owner should not weigh the cost of complying with these recommendations strictly by figuring the cost in terms of dollars saved in premiums paid out. When a reduction in rate is offered for improvement of a condition or hazard, the store owner should look at the accumulated savings over many years, bear-

(CONTINUED ON PAGE 31)

## THE PUBLIC CONTACT

Everyone who buys an insurance policy of any kind nearly always talks to an agent or broker about it before making a final decision. As a consequence, the opinion of the agent counts very heavily in every insurance transaction; more than some companies seem to realize.

The agent is the point of contact with the public. The buyer of insurance usually refers to his insurance agent by saying "my insurance man" or "he handles all of my insurance matters." In spite of all of the real and imagined competition, it remains a fact that most buyers of insurance make their purchases from an agent rather than from a particular company. In many instances, they do not know the name of the company whose policy they have agreed to buy until the sale has actually been made.

The importance of "selling" the agent cannot be overemphasized. A company simply must be well and favorably known to those who are selling most of the policies because it is the opinion held of a company in the insurance field that largely determines its success and the ease with which an agent may write business for it.

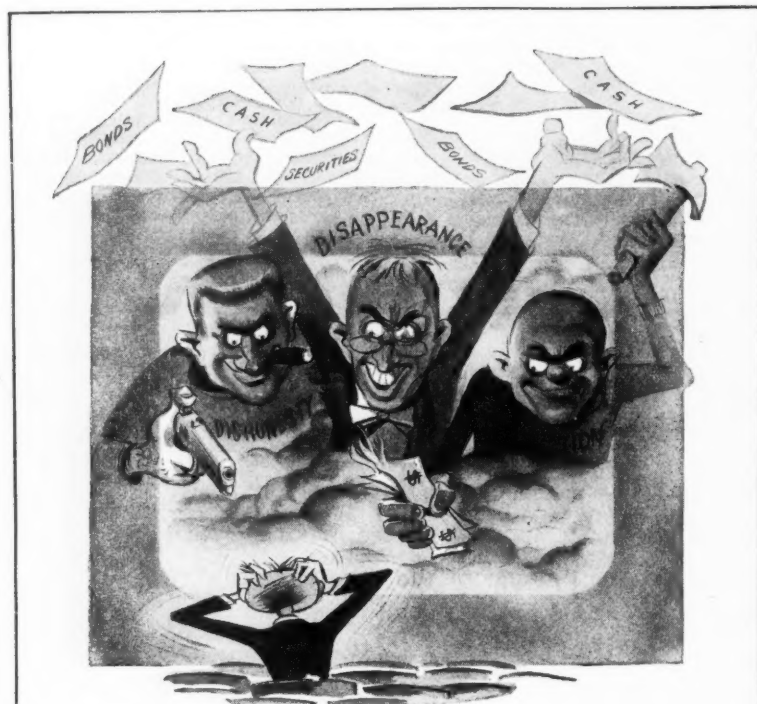
No company should forget that the agent controls the situation. It is for this reason that advertising to the public direct and not advertising to the agent through an insurance newspaper with the circulation and influence of The National Underwriter is putting the cart before the horse. Advertise to the agent FIRST. The agent has direct and daily contact with the buyers of insurance. He is the one through whom the sales are consummated.

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## Royal-Liverpool Makes Number of Promotions

Royal-Liverpool has appointed William T. Spiegelberg manager of the brokerage, general cover and special service departments. Succeeding Mr. Spiegelberg as manager of the Brooklyn office is William J. Greene.

Mr. Spiegelberg began with the group in fire underwriting in 1925 and later spent several years as a field representative before being appointed Brooklyn office manager.

Mr. Greene joined the group in 1923 in automobile writing. He successively handled various underwriting positions in the group's fire and casualty operations, until he became supervising casualty underwriter for the entire eastern territory in 1951.

Philip B. Cadman has been promoted to underwriting manager, assuming the duties of the late John Roy. He has been with the group since 1928 and for the past two years has been assistant underwriting manager.

The group has named Joseph Messina assistant underwriting manager, succeeding Mr. Cadman. He joined Royal-Liverpool in 1929 and recently has been regional underwriter for New York state.

John K. Roberts has been promoted to assistant underwriting manager, succeeding the late Rockwood A. Kuelzow. Mr. Roberts has been with the group since 1925 and for the past several years has been regional underwriter for Texas and Puerto Rico.

The metropolitan New York and suburban fire underwriting departments and the metropolitan production department have been placed under the administrative supervision of Assistant Manager E. F. Henn. He joined the group in 1927 and in 1952 transferred from Tennessee to the Metropolitan territory.

Kenneth D. Biersack of the special risk department has been named assistant manager of the department and Edward T. Grant has been appointed assistant manager of the payroll audit department. Since joining the company since returning from his second tour of military service in January, 1953, he has worked in special risks. Mr. Grant has transferred to New York after four years as supervising auditor in Syracuse. He joined the group in 1941 and has been resident auditor in Albany and an auditor in the New York metropolitan department.

## Thompson Named on Coast

Lawrence R. Thompson has been appointed ocean marine superintendent of the Pacific department of Aetna Fire group. He has had ten years of ocean marine underwriting experience in San Francisco and succeeds George E. Hamilton. Mr. Thompson will be associated with Henry S. Shafer, inland marine superintendent, at San Francisco.

## N. H. Agents Want La. EC

New Hampshire Assn. of Insurance Agents has notified its members that it is not attempting to secure the usual type of optional \$50 deductible on extended coverage in that state. The mandatory deductible which was filed for use Jan. 1 by New Hampshire Board of Underwriters was suspended for 30 days, largely as a result of the protests of agents.

What the New Hampshire association is attempting to get is a variation of the Louisiana plan. Under it, every agent writes at the same rate, each

policy has a deductible clause, but if insured wants, he may buy additional coverage for the first \$50, which is added by endorsement on one policy. Thus there are no nonconcurrences, no choice of rates for general coverage, but a chance to secure coverage for the first \$50 if desired.

The executive committee of the association at its January meeting in Concord discussed EC. The meeting coincided with the bosses' night of the New Hampshire Women's League.

## K. C. Insurance Society Holds Big Meeting

Insurance Society of Kansas City had its biggest turnout so far, almost 300, at its January meeting when J. C. O'Connor, Cincinnati, executive editor Fire, Casualty & Surety Bulletins of the National Underwriter Co., discussed developments of 1953 and problems of 1954. He stressed the automobile situation, both as to internal competition and as to outside problems, such as the move for compulsory insurance in New York and the many other proposals. An open forum, which lasted over an hour and which touched upon almost every conceivable insurance problem, followed his talk. Because of the size of the crowd, the meeting was moved from its usual site in Haag Hall of University of Kansas City to the university auditorium.

W. J. Montgomery, Bruce Dodson & Co., president of the society, announced that the February meeting will feature a discussion of the new simplified business interruption forms. The society was organized last fall to provide an educational vehicle for insurance men of all types, representing all classes of carriers. Prof. I.H.E. Otto of the university is secretary.

## Midland to Sponsor DISC

The first disability insurance sales course conducted at company level will be held at the home office of Midland Mutual Life, Watertown, S. D., Jan. 25-27. It will also be the first time the course has been presented in South Dakota.

Sessions will be under direction of the International Association of A & H Underwriters, and instructors are primarily men active in IAAHU and who have participated in previous presentations of DISC.

They are—Sig Bjornson, Central Standard and State Auto, Fargo; C. A. Ernst, North American L. & C., St. Paul; H. L. Graham, Bankers of Iowa, Des Moines; L. A. McKinnon, McKinnon, McKinnon-Mooney, Flint; W. G. Coursey, managing director of IAAHU, Chicago; and G. O. Burt, Insurance Commissioner of South Dakota.

## Charles Goodwin Promoted

Charles Goodwin has been promoted to home office casualty claim examiner by Hawkeye-Security. He will supervise claim operations in Missouri, Kansas, Colorado and Wyoming, plus workmen's compensation claims for Iowa. He has been associated with the company since 1935.

## On N. Y. Insurance Lawyers Card

The featured speaker at the luncheon of the insurance section of New York State Bar Assn. at its annual conference in New York City Jan. 28 will be Maj.-Genl. Morris R. Nelson, commander of the eastern air defense force at Stewart air force base, on "Insuring the Defense of the United States."

## Marshall Headquarters in Wichita

J. Max Marshall, who has just been named state agent for western Kansas by Phoenix-Connecticut group, was manager of the insurance department of the Prairie State Bank, Augusta, Kan., before he joined the company. He will continue to make his headquarters in the Beacon building, Wichita.



## National Union Plans to Add \$6 Million to Funds

A special National Union Fire stockholders meeting has been called for March 16 to authorize an increase of 200,000 shares in capital stock. President W. A. Rattelman said the company proposes to issue it on the basis of one new share for each two shares then held. While the subscription price will be determined by stockholders at the special meeting in the light of conditions then prevailing, the board's present intention is to recommend a subscription price of \$30 per share to provide gross proceeds of \$6 million. The company's business has continued to grow rapidly, consolidated net premiums written having increased from \$22,900,000 in 1948 to approximately \$34,250,000 in 1953.

Upon completion of the financing, the capital funds will aggregate about \$23 million. No change in the present dividend rate is contemplated. The offering will be underwritten by a group headed by First Boston Corp. National Union Fire is the parent of National Union Indemnity and Birmingham Fire.

## Special Policies Issued by Amer. Progressive Health

Among policies recently issued by American Progressive Health, New York City, are the special blanket Boy Scouts accident policy, the special school child accident policy, and the blood plasma and transfusion expense policy.

The Boy Scout policy provides \$500 medical reimbursement and \$1,000 accidental death benefit. It is sold at an annual rate per member of \$1 with \$3 expense deductible or at \$1.25 with full coverage.

The special school child accident policy at \$1.25 per year for each student or teacher pays all medical expenses up to \$2,000 for each accident, \$1,000 for accidental death and \$7,500 for dismemberment. The blood plasma and transfusion expense policy provides for payment of blood in amounts from \$100 to \$300 at premiums beginning at \$1 for the \$100 coverage under age 55 to \$3.75 for \$300 of coverage between ages 55 and 65.

## Willett to Steer Conference

K. B. Willett, vice-president of Hardware Mutuals of Wisconsin, will be chairman of a special conference Feb. 25-26 at New York's Hotel Astor of American Management Assn., when the nine manufacturers of U. S. Steel's "common-language" data-processing machines will present an exhibit of their equipment. More than 1,200 management executives are expected at the meeting, whose theme is integrating the office for electronics.

## Promotes Peterson at Denver

M. E. Peterson has been named assistant general manager of General Adjustment Bureau's Rocky Mountain department.

In 1917 he joined the claim department of Commercial Union at Denver, and in 1925 went with Cashman & Evans general agency where he did underwriting, field and claim work. Six years later he joined the Denver office of Crum & Forster. He went with G.A.B. in 1933 in the Rocky Mountain departmental office and became superintendent two years later.

William R. Parker, Jr., of Corning, N.Y., is a new partner in McCarty's agency. The firm name has been changed to W. S. & J. J. McCarty agency.

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## Illinois Field Men Have Sparkling Card at Peoria Meeting

By CHARLES C. CLARKE

PEORIA, ILL.—New peaks were reached from both interest and attendance standpoints at the mid-year meeting here last week of Illinois Fire Underwriters Assn. President David E. Larson, Home, presided over sessions that included talks by Clarence Heyl, Peoria attorney; E. J. Dirksen, executive manager of Illinois Assn. of Insurance Agents; A. H. Gent, chief engineer of Illinois Inspection Bureau, and W. C. Jordan, superintendent of the bureau's Peoria branch.

Illinois Fire Prevention Assn. combined its annual meeting and Illinois Blue Goose its mid-year meeting along with the IFUA gathering. The fire prevention group elected Earl H. Hazen, North British & Mercantile, president to succeed Vincent Mooney, London Assurance. Harold R. Cannon, Home, was elected vice-president, and Raymond Peterson, Phoenix of Connecticut, vice-president. Ross Harmon, retired state agent for Home, was elected permanent secretary, this being a new position. Though in the past the secretary often has served for several consecutive terms, the group never before has elected anyone permanently to this post.

New IFPA executive committeemen are Louis Leonberger, Hartford Fire; Carl Schaefer, National Fire; J. E. Fash, Phoenix of London; Donald R. Patton, Loyalty group; W. P. Penny, New York Underwriters; Richard Savage, Hanover Fire; E. F. Sneidiker, Home, and John Crawford and R. A. Fromel, both of Crum & Forster.

Lester C. Petterson, Sun, as MLG presided at the Blue Goose meeting at which 21 goslings took their first swim.

Named to the IFUA executive committee to replace transfers out of the state were James H. Rupp, Jr., American, and Stanley S. Swanson, Employers Fire.

There was considerable interest in committee reports, particularly the one delivered by Mr. Fromel in which there was advocated a standardized procedure for handling losses of \$100 or less. The loss committee urged WUA companies to adopt a simplified procedure that could be followed generally throughout its territory and that would eliminate some of the detailed work when losses are small. Mr. Fromel said the committee has some well formu-

lated ideas on how such losses should be handled and would be willing to submit a plan to WUA.

Mr. Larson announced that IFUA will hold its annual meeting June 15-17 at Nippersink, Wis. He also noted that honorary memberships have been extended to A. J. Meyer, Automobile; Henry A. Trenholm, American, and Frank Davidson, Crum & Forster, recently retired Illinois field men.

Describing the role several field men have played in aiding the revitalization of Illinois Assn. of Insurance Agents, Mr. Dirksen said their assistance can be particularly helpful in putting over IAIA's current membership drive. He explained that often agents who are considering joining IAIA query their field men as to the advantages. By pointing up some of these, such as legislative activities, educational, fire prevention and safety programs, as well as many others, the field man can do much to help bring benefits of IAIA membership to more agents.

Mr. Dirksen observed that many benefits will accrue both to the industry and the public in Illinois as a result of the coordination of IFUA-IAIA activity at a committee level. Through such a concerted approach to mutual problems, he said, solutions can be found more readily that will greatly aid the two organizations in carrying out their respective programs.

Mr. Heyl discussed the theory advocated by Robert S. Marks under which persons suffering property damage or personal injury as a result of an auto accident would receive limited compensation through compulsory insurance, terming it a completely unsatisfactory approach to the problem of the uncompensated auto accident victim. He said proponents of an auto insurance program comparable to workmen's compensation insurance, under which there is compensation even though absence of negligence, are fast growing in number. Because of their dissimilarity, he does not believe these types of accidents can be put on the same footing. The employer has an opportunity to control closely the work of his employee while the auto accident victim is at the mercy of something completely outside of his control.

A better approach to the problem, according to Mr. Heyl, lies in improving insurance coverages to eliminate uninsured losses. He particularly commended the companies for bringing out the extended medical payments coverage which extends insurance to an area not widely covered heretofore. By so improving coverages, and through a

(CONTINUED ON PAGE 28)

## New Plan Emerges from Milwaukee Compulsory Debate

Although a law requiring Wisconsin automobile owners to carry liability insurance probably will not be recommended to the state legislature, it could not be determined whether this move was prompted by companies, which opposed compulsory at a two-day hearing at Milwaukee.

State Senator Alfred Van de Zande, Campbellsport, who conducted the hearing as chairman of the legislature's motor vehicle insurance committee, disclosed at the end of the hearing that Wisconsin insurance companies are studying a plan under which an additional premium paid by policyholders would cover losses from accidents involving uninsured vehicles. If that program develops, he said, it would make a compulsory law unnecessary.

Another senator, Flynn of Racine, a committee member, indicated, at any rate, that the auto insurance problem in Wisconsin would not remain stagnant when he said, "You are not going to be able to sell the legislature on the idea that enforcement of present safety laws is the answer."

Views expressed by Mr. de Zande seemed to support those of the companies. He said rates would be prohibitive in Wisconsin if every driver were compelled to carry a liability policy. "It is my contention," he said, "that when everyone is compelled to have liability insurance, that they are inclined to be a little more reckless. Compulsory liability insurance doesn't help in Massachusetts where they have it, and insurance rates are much higher there. Rates became a political football in Massachusetts and they were forced to cut the expense of insurance coverage in order to keep rates reasonable."

At the committee's next hearing, April 29-30 at Madison, Mr. de Zande said a report on the Massachusetts program by a Massachusetts state official would be presented and that this would be followed by a description of Connecticut's highway safety enforcement program. There will also be testimony by an insurance statistician on rates for drivers under 25 and a report on the progress of the additional premium plan.

Company spokesman at the Milwaukee hearing charged that the compulsory bill would not reduce accidents, but would lead to "political skullduggery" and would result in motorists carrying less liability insurance than they do now. Statements that the proposed law would reduce accidents and eliminate injustice when people were injured by uninsured drivers were contested.

Irving P. Mehigan, Milwaukee attorney, representing Assn. of Casualty & Surety Executives at the hearing, said that compulsory would not answer the problem of protecting motorists from irresponsible drivers. He advocated stricter enforcement of safety laws and better patrols, and suggested passage of a law which would provide for impounding of an auto involved in an accident until its owner could establish his ability to pay damages. In asserting that Wisconsin motorists preferred to continue present laws, his opinion seemed to conflict with those expressed by Senator Flynn.

Irving A. Lore, attorney, said that 80 to 85% of Wisconsin cars are now covered by liability and that in Massachusetts, where the law requires lia-

bility, only 38% of the drivers carry more coverage than the legal minimum of 5/10. In Wisconsin, 75% of the drivers carry more than that amount, Mr. Lore added.

"When automobile liability insurance is compulsory, the bait of promising their constituents that they will reduce their rates is irresistible to many politicians," Mr. Lore added. Even if Wisconsin developed a "model law", political pressures might change it later, he declared.

Others who opposed the compulsory plan were John Fishdick, Milwaukee Board of Underwriters, who said, "I don't think anyone who is talking com-

(CONTINUED ON PAGE 28)

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## Employers Offers Reinsurance for Substandard A&H

Employers Reinsurance will now provide reinsurance facilities covering substandard A&H risks. This is believed the first time such reinsurance has been obtainable. The service will be on a treaty basis.

The company has been providing reinsurance in A&H lines for more than 35 years, and has been instrumental in opening for the industry many new avenues of coverage through its reinsurance facilities.

The facilities provided are based upon an intensive company study covering approximately three years. The study confirms the industry's opinion that the problems involved in writing substandard A&H are numerous and serious, and are much more serious than those existing in substandard life insurance practice. Employers does not consider its plan a solution to these many problems, but rather as opening the door to experimentation on a broad inter-company basis.

Reinsurance will be available only on coverages falling within types of benefits included under Employers' plan. Essentially these are: A. A coverage plan for moderately impaired risks, providing benefits for five years accident and one year non-confining sickness disability. B. A coverage plan for the more seriously impaired risks providing the same coverage as the first plan, with the exception that the coverage as to losses due to the known impairment will not begin until a stated period after the issue date of the policy and then will be subject to an aggregate time limit with respect to such impairments.

The primary companies may underwrite risks at such rates as they see fit, using any manual or plan of underwriting they desire. Employers will, however, generally adhere in its reinsurance underwriting to a modification of the manual developed by Roy MacDonald, H&A Underwriters conference, for underwriting substandard risks.

The company does not anticipate early large demand for the new facilities even though the plan grew out of

interest exhibited by a number of its reinsurance clients. It also suggests that an agent should not assume that the substandard problem is close to solution simply because his company may be studying the matter, nor should the agent assume substandard A&H facilities should necessarily be made available to him by his company just because reinsurance is to become available.

## General Re Names Frey, Boles and Nelson V.P.s

General Re has appointed Brice A. Frey, Jr., Alan E. Boles and Walter Nelson vice-presidents.



Brice A. Frey, Jr.

his entire career with Indemnity of N. A., where he was assistant manager of the New York office.

Mr. Boles has been secretary. He will, among other duties, continue to



Edgar H. Boles



Walter Nelson

handle Canadian activities of the company. He joined the company in 1937 after seven years with Travelers. His father, the late Edgar H. Boles, was president of General Re for many years and later chairman until his death in 1950.

Mr. Nelson is in the underwriting and business production division. He

has been with the company 22 years and has been assistant secretary.

## Mich. Governor Urges Compulsory Disability

Governor Williams of Michigan, in his message opening the current short session of the state legislature, recommended passage of a compulsory disability law and substantial increases in workmen's compensation benefits, including extension of medical care provisions.

"Our economy should be protected against loss of purchasing power by reason of illness or injury not covered by the workmen's compensation law," he said. "Four industrial states, New York, New Jersey, Rhode Island and California, have met this need by adopting disability insurance acts. These systems have passed the experimental stage and have proved to be successful and worthwhile in operation."

He noted that "on-the-job injuries cost Michigan workers about \$100 million in wages alone" in 1953. "It is encouraging," he said, "that there appears to be a bi-partisan agreement that workmen's compensation benefits need revision."

Among the governor's specific recommendations were: Increase of maximum benefits to two-thirds of the prevailing average weekly wage, including the present dependency allowance of \$2 per week, up to a maximum of five dependents; medical care for industrial injury victims as long as it is needed; continuous benefits as long as the disability exists; extension of coverage to those employers with one or more employees rather than the present provision of four or more; equal protection for silicosis victims; and eligibility of all industrial injuries for compensation, accidental or not.

Mr. Williams, a Democrat, may face opposition with respect to some of his recommendations due to a Republican majority in the legislature.

Robert Young, formerly casualty underwriter for United Pacific at Seattle, has joined Dawson & Feer, Seattle brokers. He succeeds Allen G. Larson, resigned. Before going with United Pacific in 1950, Mr. Young was with the Waples & Snapper agency at Lynden, Wash.

## Taft of Wyoming Crystallizes Rules for Agent's License

The Wyoming department has issued order 106, effective Jan. 25, which stiffens requirements for an agent's license in that state.

The former Wyoming statute, referring to this provision, states that the commissioner "shall be satisfied that an applicant for an agent's license is worthy and competent." This has been amended to read, "No application for a license for an agent not now licensed... will be approved unless satisfactory evidence is furnished that the applicant has had adequate training or experience covering the type of insurance he will offer to the public or that he will receive such training, to begin immediately and continue until satisfactorily completed. Evidence of applicant's worthiness will also be required."

Companies requesting Wyoming licenses for their new agents are now required to enclose a letter with every application, declaring that the agent has been thoroughly investigated by the company, that he is or immediately will be thoroughly informed regarding the type of insurance he will sell, that he is acquainted with his company's rules and regulations as well as the laws of the state applying to such insurance, and that he has never been convicted of a felony.

A brief description of the kind of training which will be given the applicant, if licensed, is also required by the Wyoming department. The order was signed by Commissioner Taft.

## Agents Get Kenosha School Line

A motion to reconsider an award of property insurance on schools and contents to local agents in Kenosha, Wis. was turned down by the Kenosha city attorney. The school board has concurred and will proceed to place its business with local agents instead of Wisconsin state fire fund, a counter proposal which prompted the city attorney's action.

The new address of General Adjustment Bureau's, Oceanside, Cal., resident adjusting office is now 1933 South Tremont street, P. O. Box 367.

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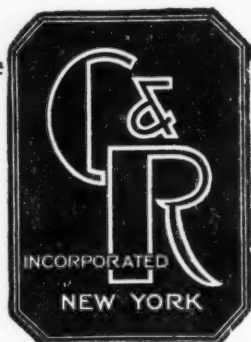
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## OL&T, M&C Tell Rate Changes for Eight States

NEW YORK—Revised bodily injury liability insurance rates for OL&T area and frontage classifications and for M&C classifications were announced for eight states by National Bureau of Casualty Underwriters, effective Jan. 18. They are Alabama, Maryland, New Hampshire, New Jersey, North Carolina, Vermont, Virginia and Washington.

OL&T classifications affected include stores, hotels, churches, hospitals, clubs, restaurants, apartments and mercantile and office buildings.

Rate changes for OL&T vary. Many are increased, others are reduced or remain unchanged. OL&T premiums are calculated on a fixed exposure basis, area and frontage, and do not increase automatically to offset the effect of increased claim costs from inflationary conditions, and, therefore, rise and help to some extent to offset increased claim costs.

Revisions in statewide average percentages are:

	OL&T % change	M&C % change
Alabama	28.9	-24.4
Maryland	12.5	-5.6
New Hampshire	9.5	-25.2
New Jersey	22.1	-9.8
North Carolina	-13.5	-23.0
Vermont	7.3	-25.2
Virginia	33.3	-25.2
Washington	33.0	-9.7

## Bailey Talks at Pittsburgh

The new automobile liability rating classification plan was discussed at a joint meeting of Insurance Club of Pittsburgh and Pittsburgh Assn. of Insurance Agents. W. O. Bailey, assistant secretary of National Bureau of Casualty Underwriters, who has been engaged in research on the problems of automobile insurance and also assisted in a survey of automobile underwriting, marketing, and competitive fields, spoke, and a question and answer period followed.

About 250 attended. Seated at the head table were President David Blayney of the club; Paul Timbur, president of the Pittsburgh association; Robert Gray, chairman of the program committee of the Pittsburgh association; Mr. Bailey, and Charles H. Bokman, chairman of the program committee for the Insurance Club of Pittsburgh.

## Cover in Two Plane Crashes

United Gas Co. owned the Mallard, an industrial aid type plane, which crashed recently in the south, killing Thomas E. Braniff and others in a party of duck hunters. This was insured in Associated Aviation Underwriters. The plane was worth about \$150,000.

The B-26 which crashed in Burbank, Cal., recently was owned by Fullerton Oil Co. and was insured in Royal. The plane was worth about \$200,000 and there was an estimate of \$25,000 of property damage losses. Royal also carried the liability and compensation.

## Excelsior Now in Casualty

Excelsior has now entered the casualty field and will write residence and outside theft and storekeepers burglary and robbery coverages.

## Pacific Fire Assn. Sets Dates

March 3-4 have been set as the dates for the annual meeting of Fire Underwriters Assn. of the Pacific. The gathering will be held in the Palace hotel, San Francisco, with a banquet following the final session and election of

new officers. Herbert Ryman, Great American, is slated to be president. The entertainment program is in charge of Sig Arndt, of Albert M. Bender Co.

## Brokers Oppose Compulsory

Greater New York Insurance Brokers' Assn. has issued a statement opposing compulsory automobile. It believes the voluntary auto insurance plan for New York state has merit and will find public acceptance.

## REINSURANCE and INSURANCE UNDERWRITERS

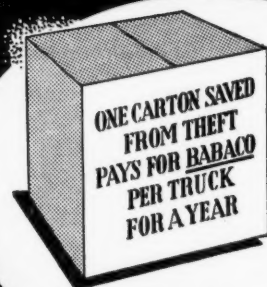
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## American Casualty Holds H.O. Conference, Plans Agent Schools

American Casualty companies held their annual education and sales conference at Reading. In two successive week-long meetings, 148 branch managers, field men and underwriters listened to lectures by 36 department heads and executives.

The conference reviewed the several changes in forms, operations and procedures which occurred during 1953; discussed objectives for 1954 and reviewed for key men the basic principles of insurance.

Among new policies introduced were baby group, group travel insurance and key man insurance. The latter provides high limit monthly income benefits for sickness and accident; accidental death and dismemberment and medical expense for employees of high income. The plan solves a serious problem, providing a salary continuance plan for the key man who is disabled for months or years.

In his welcome address, Harold G. Evans, president, reported that premium volume of the group in 1953 reached a new high of \$59,425,000 and that financially and otherwise the group had one of its most satisfactory years.

A school for agents, to be conducted at the home office, is to be held four times a year with each session lasting six weeks. Any agent of the companies is eligible, including trainees not yet licensed. Classes will be limited to 20 students, to get individualized instruction. A week will be devoted to each major class of insurance, with A&H scheduled for the first week. Fire and inland marine will be presented the second week, followed by burglary and plate glass, fidelity and surety, automobile and miscellaneous liability and workmen's compensation. The curriculum will include basic insurance principles, complete technical information, underwriting information and sales techniques.

The school will be under the direction of Walter Rothermel, educational director. Organization of the agents' school adds American Casualty to a group of 19 companies in the U.S. that provide home office education and training facilities for agents.

## Take Sun Mutual Chairman

CINCINNATI—J. H. Tuke, who has been president of Sun Mutual Fire here and who started with the company as a clerk 43 years ago, was elected chairman at the annual meeting. W. R. Skirvin, formerly vice-president, succeeded him as president. H. H. Bates is the new vice-president and Edward Holz, treasurer. R. A. Kemper and J. T. Bailey, Jr., were re-elected secretary and assistant secretary.

Mr. Tuke has been active in Cincinnati insurance circles and is currently vice-president of Cincinnati Salvage Corp. He and the other officers of the 92-year-old fire insurance company are active in Eagle Savings & Loan Assn.

## Schinkel in NJ for Phoenix, Eng.

Charles R. Schinkel has been appointed by Phoenix of London group as special agent in northern New Jersey with headquarters at 60 Park Place, Newark.

Thomas J. Morton has been appointed manager of Goodell agency, Rochester, N.Y. He formerly was a special agent in the Rochester office of Loyalty group.



## "Selling LIFE has meant a big increase in our income,"

writes Ned McWherter of McWherter and Milligan, General Insurance men of Greeneville, Tenn. McWherter (left) and Milligan (right) are shown conferring with a client in his tobacco warehouse.

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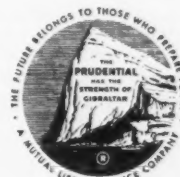
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## Tri-State Names Three; Rings Up Record Year

An all-time high in premiums and assets was recorded for the Tri-State Ins. Co. for 1953. Direct writings were increased more than \$700,000 to exceed a total \$5,280,000, and assets reached the \$5 million mark. The company operates in 20 states.

Three new assistant vice-presidents named by the company are: J. A. Tiltonson, compensation claim supervisor, assistant vice-president in charge of compensation claims; Carl B. Edmark, Jr., supervisor of the workmen's compensation and general liability underwriting department, assistant vice-president in charge of the department, and Fred N. Davis, Jr., assistant vice-president in the automobile underwriting department.

## Colo. Department Amends Some Motor Vehicle Rules

The Colorado department has stated in its bulletin No. 19, amending bulletin No. 16, entitled "Rules Concerning Rating Plans—Limitation of Discounts

or Surcharges on Motor Vehicle Liability and General Liability Policies", that "Effective Feb. 1, 1954, the prohibition by this department as to the limitation of 45% will be deemed to be exclusive of the following adjustments appropriately applied to the normal field rate, namely:

"(1) The automobile fleet plan adjustment table and (2) the garage pay roll reduction table as currently promulgated by the National Bureau of Casualty Underwriters. Also, as of the above effective date, no further filings will be required from bureaus or companies except in those cases where the final maximum discount, after using the above adjustments, equals 45%."

## \$3 Million TV Loss

A fire in a brick warehouse on the Erie basin waterfront in Brooklyn destroyed \$2 million worth of CBS Columbia TV sets stored there. Damage to the buildings was estimated at \$1 million.

Contents of the building were covered by Affiliated FM Ins. Co. of the Factory Mutuals which writes unsprinkled risks, and the building was insured in stock companies.

## Travelers Premiums Reach Peak in 1953

Written premiums of Travelers companies reached a record high of \$718,336,000 in 1953, including life, a gain of \$92,763,000 over 1952.

Written premiums for 1952 and 1953 were A&H, \$126,009,000 and \$143,636,000; liability and property damage, \$28,583,000 and \$39,161,000; automobile, \$152,457,000 and \$180,158,000; compensation, \$69,837,000 and \$83,082,000; burglary and glass, \$7,770,000 and \$7,615,000; boiler and machinery, \$5,482,000 and \$9,104,000; fidelity and surety, \$5,026,000 and \$5,639,000; fire and allied, \$29,781,000 and \$30,786,000; and inland and ocean marine, \$8,213,000 and \$8,421,000.

## Bank Assn. Aims at Fraud

National Assn. of Bank Auditors & Controllers is intensifying its campaign against fraud through books, manuals and articles in the association's monthly magazine, *Auditgram*.

The latest effort is an article by FBI Director J. Edgar Hoover in the February issue of the magazine. The increase in bank defalcations over the

last five years is shown and the Hoover article outlines seven steps which can do much to safeguard banks.

Many of the embezzlement cases of the last five years were the result of gambling, excessive drinking and living above means, Mr. Hoover writes.

The ultimate goal in the war on bank fraud is to establish an audit program in every bank in the country.

## Talk to Attack Compulsory

C. F. J. Harrington, formerly insurance commissioner of Massachusetts and now executive vice-president of National Assn. of Casualty and Surety Agents, will speak at the Fred Ritti testimonial dinner given by Long Island Insurance Brokers Assn. Feb. 3 at Astoria, L. I., in opposition to compulsory automobile insurance.

## C. & R. Dividend Increases

American Equitable of the Corroon & Reynolds group has declared an 85¢ annual dividend, payable Feb. 2 to holders of record Jan. 22. The rate formerly was 75¢.

New York Fire has declared a dividend of 67½¢, payable Feb. 1 to holders of record Jan. 22. This formerly was 60¢.

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# Fire and Casualty Insurance

## COMMENTS - TRENDS OBSERVATIONS

### Myers Discusses Values, Procedures of Jeweler's Block for Claim Men

Jewelers and other figures of the jewelry industry unhesitatingly confirm that they cannot operate without the protection afforded by the jeweler's block policy as it is written today, William E. Myers, secretary of Commercial Union, told Inland Marine Claims Assn. of New York at its January meeting.

The cover in a limited form for wholesale jewelers had its origin in England in the late 1890s and was devised by C. E. Heath, founder of the present C. E. Heath & Co. In 1925, to provide urgently needed capacity, American insurers were authorized to issue a block policy similar to the one then being used by Lloyds in this country. The form is admittedly somewhat complicated to provide protection for a complicated business. Periodically changes have taken place, the latest in October, 1950. Mr. Myers said that underwriters now believe the present form to be admirably suited to the needs of the bulk of the business as it is written today.

The annual premium written in the U. S. in 1952 amounted to \$5,332,740, 35% of which pertains to wholesale and manufacturing classifications concentrated in New York City and the east. The remaining 65% was comprised of retail and pawnshop classifications throughout the country. Admittedly this is a small portion of the inland marine premium written for all classes but it does represent an indispensable form of protection for a business which handles tremendous concentrated value and is subject to staggering losses.

All fields of the jewelry industry have testified before governmental committees as to the vital need of this protection without which they could not operate.

Mr. Myers emphasized the need for getting the right man on the job as quickly as possible after a reported loss and that all statements in the proposal should be given to adjuster's close scrutiny for verification of representations. The policy is so constructed that it is possible to provide full protection for the jeweler without a coinsurance provision. On the other hand, to the underwriters, the proposal and policy also grant a full measure of protection by the nature and design of the questions in the proposal if the adjuster intelligently verifies them at the time of loss investigation. He stressed the value of written statements taken from employees and witnesses at the time of contact with insured.

Promptness in processing the loss jeweler's block claims as with losses

of any other class. In theft and burglary situations there is a basic need for close cooperation between the adjuster and the police authorities. In many respects the nature of the jewelry business permits orderly business and investigative procedures to continue without the pressure for immediate payment in order to place the merchant back in business. Under normal circumstances, the jeweler, even though he may have a total loss, is often able to obtain enough stock on memorandum within a matter of days to continue operation without depletion of his capital.

New members of the claims association are Thomas J. Howarth of Camden Fire, Thomas M. Horan of Appleton & Cox, Joseph A. Ward of Northern of N. Y.; Donald C. Haynes of Marine Office of America, Alvin K. Bender of Northern of England and Willard R. Seymour of American-Associated.

### Teetotaler Insurer Formed in Alabama

Pioneer Auto Ins. Co., which will specialize in selling automobile coverages to non-drinking drivers, has been organized with executive offices at Chicago and a home office at Birmingham, Ala. It was licensed in Alabama by the Alabama department Jan. 1 as a reciprocal, having an initial guaranty fund surplus of \$200,000. This was furnished by the attorney-in-fact corporation, Pioneer Auto Ins. Co., Inc., of which Lee Braxton is president.

Mr. Braxton is chairman of First Na-

tional Bank of Whiteville, N. C., and has just completed two terms as mayor of that city. Among his other interests are an automobile finance corporation, but he will devote the greatest part of his time to Pioneer Auto.

Among those associated with Mr. Braxton in Pioneer Auto are George D. Gardner, president of New York Automobile Dealers Assn. and a director of Hamilton Fire; Frank Leu, who retired last year as vice-president of Life & Casualty of Nashville; A. H. Tesche, general insurance attorney of Chicago and vice-president and general counsel of United of Chicago.

The organization of Pioneer follows closely the introduction of the new teetotaler automobile writer in Illinois, Central Security Mutual of Springfield. This company gives the non-drinkers a discount of 25% for BI and PDL, and 20% for PHD if he signs a pledge.

Preferred Risk Mutual of Des Moines is the leading company in this endeavor and has had in recent years a substantial growth.

### Baum Completes Study

James E. Baum, deputy manager in charge of the insurance and protective committee of American Bankers Assn., has returned from a trip to El Salvador where, on recommendation of the U. S. federal reserve system, he studied protective measures for El Salvador banks to prevent robberies such as occurred last August with a loss of \$48,000.

Members of Big Spring (Texas) Insurance Agents Assn. heard a talk on the effectiveness and importance of an active safety-man program. George Oldham, executive secretary of the Citizens Traffic Commission spoke.

### Feels Aim Should Be Irresponsible Driver

James F. McComb of the Lon Worth Crow agency at Miami, a CPCU, writes as follows:

In your editorial comment on New York Superintendent Bohlinger's talk before the American Assn. of University Teachers of Insurance you indicate that he brought out a couple of significant points. One of these is his contention that the insurance industry has failed to produce an alternative to compulsory insurance which would solve the problem of the financially irresponsible motorist, while his department has always been ready and willing to discuss and evaluate any solution proposed to rid the road of the financially irresponsible motorist. It seems odd to me that so much importance has been attached to "financially irresponsible" rather than to "irresponsible". This criticism is not pointed directly at Superintendent Bohlinger but at the thinking of everyone concerned with the automobile accident situation.

It has been said many times that the driving of an automobile is a privilege rather than a right. Why isn't all thinking directed along these lines with the view of passing legislation in each state making it necessary for the motorist to earn the continuance of his license? Why should an otherwise irresponsible motorist be permitted to continue driving just because he is financially responsible? Strict traffic law enforcement and license forfeiture of continual traffic law violators will certainly reduce the public's exposure to injury or damage to property. A year without a license and a month in jail would be great deterrents for those who drink and drive. In addition, compulsory driver education would appear of greater benefit than compulsory insurance.

A householder is privileged to keep a dog, but when that dog becomes a neighborhood nuisance he loses the privilege to keep it. Doesn't this seem trivial as compared to the havoc wrought by the irresponsible motorist who is permitted to retain his "right" to drive.

May I humbly suggest that the insurance industry and executives of each state approach this automobile accident problem with the thought that the humane and overall economic aspects be given precedence over the financial aspect with the probable result that the financial problem will be solved for the most part. Then the UJF or some other voluntary plan can easily handle the greatly reduced number of unsatisfied claims caused by those uninsured and unable to pay.

Schatten-Cypress Co., local agency at Nashville, is constructing its own building there.



"PLEASE! — DON'T LET MY INSURANCE COMPANY FIND OUT ABOUT THIS."

## American Promotes Several at Home Office

(CONTINUED FROM PAGE 3)

tinue to be associated with Secretary S. H. Reiter in the supervision of New Jersey, New York, Pennsylvania, Delaware and District of Columbia.

Mr. Schneider was an examiner for Virginia F&M. before he joined Dixie Fire in 1938, a former American company. He was special agent in Louisiana for American, and then returned to the home office. After several years as superintendent of the fire underwriting department he became superintendent of office administration under Vice-president Bert A. Jochen, in which position he remains active.

## School Accident Insurance Approved in Philadelphia

An accident insurance plan which covers students and teachers while at school and for an hour before and after school has been instigated in Philadelphia. World of Omaha has underwritten the blanket medical and indemnity policy.

Policies for the children can be purchased by parents for \$1.25 a year and teachers' policies are slightly higher. Coverage runs to \$2,000 for medical expenses for a single accident and as a death benefit.

## Balboa Promotes Three

Joseph A. Donnelly, Herbert J. Dawson and Paul L. Hughes have received new appointments at the home office of Balboa at Los Angeles.

Mr. Donnelly, who was with the California department before joining Balboa in 1950, has become supervisor

of the underwriting department; Mr. Dawson, who joined the company in 1950 after experience as an independent adjuster, is now supervisor of the loss department, and Mr. Hughes, who was with American at Newark until 1953, is supervisor of the accounting department.

## Western Adjustment Has Two Changes in Ohio

Western Adjustment has appointed C. R. Johnson of the Cleveland office inland marine supervisor. He also has the title of general adjuster and will now supervise inland marine claims at Cleveland.

Mr. Johnson has had several years as a fieldman with Security before joining Western Adjustment in 1939. He was originally assigned to St. Louis as a staff adjuster where he gained valuable experience in the inland marine and automobile field. He was later transferred to Carbondale, Ill., and appointed as manager of that branch, going to Cleveland in 1953.

In another Ohio change, Western appointed L. H. Binder of Cincinnati general adjuster. Mr. Binder has been with Western at Cincinnati since 1939.

## Goode Is Suburban Mgr.

Robert F. Goode has been appointed manager of New York suburban department of Atlantic companies. He joined the companies in 1948 and served in the home office and at Syracuse in producing and underwriting. He succeeds Wallace M. Roehrig, who was named metropolitan manager.

## To Ohio Field for N. H.

Kenneth E. Rowell, who has been in the home office of the New Hampshire group two years, has been appointed special agent in southern Ohio to assist State Agent Fred E. Hill. He will have headquarters with Mr. Hill in Columbus.

Mr. Rowell was with Sun Office four years at New York. Since joining New Hampshire he has worked in the fire underwriting, claims, auto and inland marine departments.

## Name Seymour Special Agent

American group has appointed Melvin W. Seymour special agent. He will be with Special Agent Frank Macleod, who supervises the Illinois field. Mr. Seymour has had seven years insurance experience, including field work in North Dakota and Nebraska.

## VP of G & R Group

Arthur F. Searing, vice-president of C. V. Starr & Co., has been elected a vice-president of Globe and Rutgers Fire, American Home and State of Pennsylvania. The Starr company owns G. R., which controls the other two.

Before joining C. V. Starr in 1953 as advisor on investments, Mr. Searing was with the investment banking firm of Drexel & Co.

Change of name of American Home Fire to American Home Assurance was by stockholders.

## Protest State Employees in Mo. Selling Auto Cover

Missouri Assn. of Insurance Agents has protested solicitation of auto insurance for M.F.A. Mutual by employees of the state motor vehicle license bureau at Carthage. The matter will be taken up with the governor and attorney general and, if necessary, will be taken to court.

## Unreported Accidents Don't End Company's Liability

COLUMBUS, O.—Failure of a policyholder to report that he had a record of 11 arrests for previous traffic accidents did not relieve Farm Bureau Mutual Auto from liability in an action in Cleveland, which grew out of an automobile accident in which four persons were killed.

Farm Bureau contended that the driver, Howard Dickerson, had obtained the policy through fraud. Refusing to cancel the policy, the court held that the injured person and the estates of those killed had a "potential interest and a substantial right in the policy from the very moment of the accident."

Dickerson had taken out the policy, providing for a maximum of \$20,000 against multiple deaths, just 13 days before the accident. Suits totaling \$120,000 have been filed in the case.

## O'Connor Chicago Speaker

Chicago Claim Assn., at its January meeting, heard a talk by Edward O'Connor, managing director of Insurance Economics Society, on "Eternal Vigilance for the Price of Victory". Among guests on hand were L. D. Cavanaugh, president of Federal Life; R. J. Wetterlund, chairman of Washington National; L. N. Parker, president of American Service Bureau, and Kenneth Barry, 3rd vice-president of Lumbermens Mutual Casualty.

## Brokers Name Mannon

Haindinger-Hayes, the surplus line brokers of Los Angeles, have opened an office at San Francisco at 369 Pine street with Robert Mannon as manager. He has been with National Bureau, Fireman's Fund and with a local agency at Stockton, Cal.

## Craftsman Sponsoring Pearson

Craftsman Ins. Co. of Boston will sponsor Drew Pearson, commentator of "Washington Merry-Go-Round".

The show will be televised each Wednesday night at 6:15 on WNAC-TV, Boston. This is in addition to the company's co-sponsorship of "Pleasure Playhouse" each Sunday night at 6:00 on WBZ-TV, Boston.

## Citizens General Insolvent, Put in Maloney's Hands

Citizens General Ins. Co. of Los Angeles has been declared insolvent by the California department, and Los Angeles superior court has appointed Commissioner Maloney as conservator.

Citizens General is a wholly-owned affiliate of Citizens Life & Casualty of Los Angeles.

Mr. Maloney said he found the company insolvent after making an examination. The court order does not terminate existing policies, which will continue in force until further action by Mr. Maloney or by court order. No new business will be written, however. The company funds in possession of agents are automatically frozen.

Citizens General specializes in automobile physical damage and casualty coverages. It was organized by the late Victor Pettrick, who also organized Constitution Life of Los Angeles, and later Citizens General Life. The life company is not involved in the proceedings.

## C&S Roundtable Elects

Casualty & Surety Roundtable of Houston elected the following: President, Curtis Homyer, American Surety; vice-president, Fred Campbell, Loyalty Group; secretary, J. R. Murphy, Aetna group, and treasurer, George Galle, Southwest Underwriters. C. V. Berson is the retiring president.

## Hear Lindop at Chicago

Ralph K. Lindop, Monarch Life general agent at New York City, was the speaker for the first meeting in 1954 of Chicago A&H Assn. Mr. Lindop was the first president of A&H Assn. New York chapter. His agency has been among the company's first three since its inception.

## Fire Show For Ins. Buyers

Chicago Mid-West Insurance Buyers Assn. are seeing Jan. 21 a fire safety and fire prevention demonstration presented by K. Thomas Call through the courtesy of Liberty Mutual Fire. This program has been presented to many leading universities in the east and has appeared on television in Boston, New York, Philadelphia, and other eastern cities. This is its first presentation in the Chicago area.

## Agents to Hear Masters

Richard B. Masters, assistant United States manager of New Zealand group and chairman of the business interruption sub-committee of Pacific Fire Rating Bureau, is addressing Sacramento Assn. of Insurance Agents Jan. 21 on "Business Interruption Trends", including the new gross earnings short form, and possible alterations in the other forms as indicated by changes already adopted in other jurisdictions.

## Northern N. Y. Stock Plan

Northern of N. Y. stockholders will vote Feb. 1 on authorizing 24,000 additional shares of stock, which would be paid as a 10% stock dividend at a non-yet determined date. The company has 240,000 shares presently.

## Chicago Adjusters Hear Lawyer

The January meeting of Casualty Adjusters Assn. of Chicago was addressed by George W. Bunge, Sr., chairman of the Illinois Bar insurance section. He talked on demonstrative evidence.

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This unusual shape is a silhouette of a parasite called Trypanosoma that causes sleeping sickness.

## ILLINOIS SERVICE FOR ILLINOIS RISKS!

One of the greatest opportunities today for insurance companies' underwriting profit is the proper kind of treaty and facultative contracts. Because of our long experience in this specialized field, through comprehensive binding authority with Lloyd's London, we can assist you in working out this problem. Contact Illinois R. B. Jones at once.

OUR NEW BOOKLET describes completely the unusual facilities available to you. Write for your free copy today.

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(R. B. JONES & SONS INC.)

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C. Reid Cloon, Vice-President





## IAC "Ad" Entries for Producers Contest Nears March 1 Deadline

Agents, brokers and local boards are being urged to take part in the best use of advertising competition of Insurance Advertising Conference. Deadline for entries is March 1.

Brochures and entry blanks have been distributed country-wide. The five winners will attend the annual IAC meeting in June to receive awards. The winner of the grand award will be a guest of the conference.

A new feature of the program is an award for the local board which achieves top excellence in its advertising of the past year. Judging will be based on the best use of advertising and not for technical quality. Emphasis will be given the attractiveness of entries and participants are asked to indicate what the aim was in advertising—larger volume, more customers, more insurance from present policyholders, greater production of preferred classes of insurance, more publicity for the agency, more prestige in the community.

Classifications for entries are: Division 1, under \$25,000; division 2, \$25,000 to \$50,000; division 3, \$50,000 to \$100,000; division 4, \$100,000 to \$250,000; and division 5, more than \$250,000 in premium volume.

Entries should be sent to Dwight P. Ely, 40 South Third street, Columbus 15, O.

## Suspend Westland Life for Disability in Cal.

Commissioner Maloney of California suspended the new disability writing privileges of Westland Life of San Francisco for five days starting Jan. 15 and the company's principal A&H producing unit, Radio Insurance Agencies, for 10 days. The company and agency were cited several months ago for alleged misrepresentation of its disability benefits by Commissioner Maloney in his campaign to "clean up" practices of a number of companies, including charges of fraud in selling methods and advertising claims.

Commissioner Maloney said Westland halted the practices as soon as it was informed they were questionable and that he was certain there was no definite intent on the part of the company to violate provisions of the code. Mr. Maloney said the company "pleaded guilty."

Commissioner Maloney, when questioned regarding the recent announcement of federal trade commission that it intended to investigate the practices of disability writing companies, especially as regards solicitation and advertising, said that an attorney from the San Francisco office of the FTC had called upon him, stating that she had been assigned the California phase of the investigation and requesting his assistance. Asked whether or not his department had anything to do with instigating the FTC action, Commissioner Maloney said "No, I do not know how it started."

## Fire Association Funds Okayed

Stockholders of Fire Association at a special meeting approved an increase in the company's authorized capital stock to 800,000 shares, \$10 per value, from 360,000 shares of the same par value. The stock increase was approved by approximately 84% of shares entitled to vote. At present the company has 340,000 shares of \$10 capital stock outstanding.

James G. White & Son agency has become a business associate of Brewer & Lord agency, 40 Broad street, Boston.



# like a BIGGER NET?

With taxation, inflation and higher overhead shrinking net earnings, a general lines agent can't afford to rest on his oars. That's why more and more leading general lines agencies are using Continental accident & health facilities to re-vitalize their financial picture.

Here's what they find:

- Our special sales development program produces immediate new A&H volume.
- Our unusual "Department Store" facilities attract new group and individual clients who couldn't be reached otherwise.
- Present policyholders are excellent prospects for A&H . . . new A&H policyholders form a solid base for expanding all lines.

We know how to help the general lines agent get the most from A&H. Why not write for our complete story today?

Store of A&H Insurance

**Continental**  
**Casualty Company**  
310 S. Michigan Ave., Chicago 4

Associates:

Continental Assurance Company  
 Transportation Insurance Company  
 United States Life Insurance Company

Catastrophe  
Medical Coverage  
Hospitalization . . .  
Individual & Family  
Aviation & Travel  
Accident . . . World-Wide  
Unusual  
and Extraordinary  
Special Risks  
A&H Income  
Protection . . .  
Even for Life

ALBUQUERQUE   ATLANTA   DALLAS   DENVER   NASHVILLE  
OKLAHOMA CITY   ST. LOUIS   SEATTLE   PORTLAND

## UNIVERSAL INSURANCE UNDERWRITERS

operating as

Homer Bray Service

in

Washington, Oregon, Texas, Georgia, Alabama & Florida

The Universal Insurance Underwriters is merely a Managing General Agency, holding automatic quota share and excess treaties in a pool of stock companies, for writing certain hazardous line coverages. We write no direct business, but operate strictly through agents. We were organized in 1949, and have confined our writings more or less to States West of the Mississippi until recently. We are in a position to file in all 48 States, Canada and Alaska. Except for Massachusetts, we will make agreements with agents any place in the above territory. Retained limits \$100,000/300,000/100,000 on all lines except gasoline, butane and explosives. On gasoline and butane, \$50,000/100,000/50,000. We do not solicit local operations written by domestic companies, except for butane. We solicit long haul operations for B. I. & P. D., Medical Payments on:

M.C.I.	LONG HAUL	LLOYDS	HAUL AWAY	BUSSES	DRIVE AWAY
BUTANE	OIL FIELDS	PRODUCE	LIVE STOCK	GASOLINE	U-DRIVE-IT
AMMONIA	EXPLOSIVE HAULERS	PRODUCTS	HOUSE MOVERS	COMP. GEN.	GRAIN HAULERS

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## Group Twisting Charges Levelled in Wisconsin

A new form of twisting, which could be called milking the farmers in their own dairies, has been charged against three Madison, Wis., group agents.

According to the complaints, which prompted a hearing before Commissioner Lange of the Wisconsin department, the agents sold some 1,200 policies to farmers last year, then switched

their company affiliations and persuaded the insured to take out new policies with the second company. Cited in the complaint as the original employer of the agents was Business Men's Assurance. It is charged that the agents, upon transferring to Federal Life of Chicago, represented to the farmers that B.M.A. was going out of business and persuaded some of their clients to transfer their accounts to Federal Life.

Following a method relatively new in Wisconsin, the agents solicited in individual dairy plants, arranging check-offs from milk payments for the premiums. The complaint showed considerable activity along these lines in southern Wisconsin, although the method is comparatively unknown in the northern part of the state.

According to testimony submitted this far, the three agents, as yet not yet identified, in a period of 45 days transferred contracts with annual premiums amounting to \$120,000.

Mr. Lange pointed out that one of the tangent dangers of this practice is that frequent transfers of contracts from company to company bring about uncommonly high acquisition costs and ultimately will result in necessary increases in insurance rates. The three agents will appear again at a hearing Jan. 25, Mr. Lange said.

## Parsons Retires, Junker Made Chairman

(CONTINUED FROM PAGE 4)  
elected secretary of Crum & Forster, of which he is currently a vice-president.

Joseph E. Snell was advanced from assistant vice-president to vice-president of Crum & Forster, U. S. Fire, North River and Westchester Fire. Presently a vice-president of Crum &



HAROLD JUNKER

Forster, Walter F. Pfost was made a vice-president of each of the companies, at the same time continuing his duties as secretary of U. S. Fire and Westchester Fire.

Walter Pankopf was elected a vice-president of Crum & Forster and Ernest Hamer and Roy L. Pendrell were made assistant secretaries.

William N. Owen was appointed an assistant vice-president of the U. S. Fire, North River and Westchester Fire.

Further appointments in the group included that of Mr. Hamer as assistant secretary of U. S. Fire and North River and William Crefields, Jr. as assistant secretary of the latter company.

The group announced the retirement of Edward S. Burtis, Jr., as a vice-president of Crum & Forster and of the three companies, and of Edward H. DeGroff as an assistant secretary of Crum & Forster, U. S. Fire and North River.

## New Specific Rate Books for Los Angeles Released

LOS ANGELES—Pacific Fire Rating Bureau has released new specific rate books for the central Los Angeles area, which went into effect Jan. 1, 1954, for policies attaching subsequent to Nov. 1, 1953. The new books introduced a three-column publication of rates while the old system was two columns. The new form is necessary because term factors are on a 2½ basis for three years. Previously most of the rates were on a basis of two annuals for three. It was necessary formerly to subtract district and salvage credits, where applicable, from published rates. These protection credits are now incorporated into the basic rate formula with subsequent simplification of computing that rate. Old Pacific rate books tabulated rates by block number, while rates may now be found directly by looking up the street address. No material change in rates is expected, except in those cases where there has been changes in occupancy, or construction of protection services.

## Form Agency at Tacoma

American Underwriters Insurance Service agency has been formed at Tacoma with partners John W. Gibson, Verne Ashford and K. M. Mace. All three have had previous insurance experience in Washington. The agency, located at 6435 South Tacoma Way, will represent General of Seattle, United Pacific, the St. Paul and Atlantic companies, and Preferred General agency.

## WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

### ARE YOU LOOKING FOR AN OPPORTUNITY?

Nationwide casualty insurance group with headquarters in Chicago needs you if:

1. You have a compensation and liability underwriting background,
2. You like analytical thinking, and
3. You have done or can do technical writing.

This is a permanent home office position dealing with technical underwriting publications directed to employees and agents. This is a good opportunity if you can do the job. Our employees know about this ad. Write Box W-18, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### SPECIAL AGENT WESTERN NEW YORK AREA

Old line well known stock multiple casualty and fire group. Fire insurance experience essential. Locate Rochester, New York branch office. Salary open. All replies strictly confidential. Address W-29, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### CALIFORNIA FIELD REPRESENTATIVE

Want aggressive, experienced young man to work the State of California for reliable mutual fire insurance company. Address W-22, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### MISSOURI FIELDMAN

Needed by a prominent stock Fire and Marine company due to an impending transfer. For an opportunity to discuss this excellent opening write in complete confidence to Box W-23, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### GENERAL AGENTS CONSIDERED

Mid-West Multiple Line stock company writing General Casualty, Fire and Allied lines at Board rates invites inquiries from General Agents interested in: Minnesota, Indiana, and Mississippi. Address Cimarron Insurance Co., Inc., Cimarron, Kansas.

### SPECIAL AGENTS KENTUCKY — INDIANA

Experienced Multiple line field men for above states needed by Midwest Company. Write fully giving age, past experience, education and salary requirements. Reply Box W-15, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### INSURANCE CASUALTY B. I. CLAIMS EXAMINER

We are creating an opening in our Chicago office for a man with at least 5 yrs. experience in the Casualty field. Excellent salary and other benefits if you can qualify. Address W-28, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### WANT TO COME TO TEXAS?

Large, progressive Texas Insurance Company has opening for young man 25-30 with at least 3 years' experience in developing and analyzing statistical reports. College background preferred. Good benefit program. Excellent chance for advancement for ambitious young man. State educational background, work history and specific qualifications for this type work. All replies strictly confidential. Box W-30, The National Underwriter Company, 175 West Jackson Blvd., Chicago 4, Illinois.

### WANTED

Indiana Field Representative for fast growing multiple line, stock company operating nationally. Outstanding opportunity in Southern Indiana. The field to be covered is the area south of Indianapolis, headquarters optional but preferably Indianapolis. We are desirous of employing a top flight insurance representative for a company with progressive policies and many employee benefits. It will pay you to investigate. Write Box V-95, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### ASSISTANT LOSS SUPERINTENDENT ASSISTANT EXAMINER

for Western department of an aggressive stock fire company group. Chicago location. Liberal company benefits offered. Salary commensurate with experience and ability. Address V-23, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED FIRE-CASUALTY SPECIAL AGENTS

States of Oregon, Washington and Texas (vicinity of San Antonio) by multiple line stock company. Advise us your experience and the state in which you are interested. Cimarron Insurance Co., Inc., Cimarron, Kansas.

### BOND CLAIM ADJUSTER

Experienced Bond claim adjuster (under 35) wanted by top casualty & surety Co. Prefer man with legal background, but not mandatory. Salary commensurate with experience. Insurance benefits, paid vacations—opp. for advancement. Address reply with full particulars to W-25, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### NEW YORK STATE (WEST) SPECIAL AGENT

We have a splendid opportunity for a Special Agent with a well established small plant. Will live and operate out of Syracuse or Rochester. Reply will be treated in confidence. Reply to Box W-26, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### LOUISIANA SPECIAL AGENT

With excellent opportunity with one of the largest and most active agency mutual companies. All inquiries will be strictly confidential. W. W. Hathaway, Northwestern Mutual Fire Association, Dallas, Texas.

## Mutual for Title Radio

Beginning H. & A. television works in radio and insurance business.

The coming Jan. news the Mutual 550 affiliate second week each week roway "effit will roway Monday, alternat 8:30 A 50 stati

The Q. Lew tions o to 12 e the 11: Begin will spe Monday TV out time.

## Novel Present

Auto ual, im taining publish suranc land, C spent for aut before four y He l the id



## Mutual Benefit H. & A. Bids for Title as Biggest TV, Radio Sponsor in Industry

Beginning Jan. 24, Mutual Benefit H. & A. will be backing four radio and television programs over four networks in what is probably the largest radio and TV sponsorship in the insurance business.

The company will sponsor, beginning Jan. 22, Bob Considine with his news program, "On the Line", over the Mutual Broadcasting system and 550 affiliated stations at 6:30 P.M. The second program will be three segments each week on the NBC-TV Dave Garroway "Today" program. Mutual Benefit will sponsor a five-minute Garroway front page news program on Mondays, Wednesdays and Fridays, alternating each week from 7:30 to 8:30 A.M. and beginning Jan. 25 on 50 stations.

The third program is the Robert Q. Lewis show on 204 CBS radio stations on Saturday mornings from 11 to 12 eastern time. The company has the 11:30 to 11:45 section of this show.

Beginning Feb. 1, Mutual Benefit will sponsor "John Daly and the News" Mondays and Wednesdays on 40 ABC-TV outlets at 7:15 to 7:30 P.M. eastern time.

## Novel Auto Agency Ideas Presented in New Manual

Auto Insurance Underwriters Manual, in 8½ x 11 loose leaf form containing more than 225 pages, has been published at \$32.50 by Northwest Insurance News, Henry building, Portland, Ore. The author, Doug Henson, spent 18 years in more than 14 states for auto insurers, specialty and agency, before starting his own local agency four years ago.

He has built his agency business on the idea of selling the independent

agency idea to auto owners who now buy insurance from direct writers. His record of sales results is startling. He says these results do not reflect personal sales achievement but a sales and business management system he has developed for his local agency that discards the methods of the traditional real property fire agency. The text of the manual is devoted to a detailed description of the system and the reasons for it.

The manual also deals with agency company underwriting and accounting and management control methods in connection with auto business, and here again he advocates that all the methods traditional to the control of real property lines be thrown out the window and new approaches used.

The author contends the insurance buyer wants the American agency system idea whenever it is competently offered.

## \$700,000 Blaze in Newark

A fire which caused an insurance loss of \$700,000 completely destroyed the 2-story Wilderotter department store at Newark. Loss on the contents totalled \$400,000 under a reporting form, and the building loss was \$300,000. The UO insurance is \$215,000.

## Sells Columbia Agency

Ralph K. Pfremmer has sold controlling interest in his Insurance Service Agency at Columbia, Mo., to Barney T. and Mildred Myers. Mr. Myers most recently was with the National of Hartford at Denver, and before that was in the agency business on the west coast and in Kansas City, Mo.

## Manchester, N. H. Board Elects

New forms were discussed by Lloyd E. Greer, executive secretary of New Hampshire Assn. of Insurance Agents, at the annual meeting of the Man-

chester board. John Healy was elected president; Fred W. Griffin, Roland Tessier and Roman Novosad, vice-presidents, and Joseph Scott, Fred J. Griffin, Remi Plourde and Howard Burpee, Jr., directors. A. J. Card was appointed secretary.

## Kemper Names Hughey Assistant to President

M. Stanley Hughey has been named assistant to the president of Lumbermens Mutual Casualty and American Motorists. He also will be chairman of the companies' procedures department, succeeding Martin B. Weber, who is vice-president of the companies in charge of underwriting. H. L. Kennicott, Jr., continues as secretary of the procedures department.

Mr. Hughey joined the companies in 1938 after graduation from University of Illinois and was named assistant actuary in 1952 and 3rd vice-president in 1953. A fellow in the Casualty Actuarial Society, Mr. Hughey obtained his M. A. in business administration from Northwestern University in 1947.

## Gaffney Stays in N. J.

Gov. Meyner of New Jersey has indicated that he will retain Insurance Commissioner Warren Gaffney in that post.

## N. H. Local Agency Burns Out

The F. P. Dearth agency office at Haverhill, N. H., managed by Douglas Newbold, was destroyed by fire which leveled the entire Odd Fellows block.

## London & Lancashire Indem. Elects Manion a Director, Names 2 Superintendents

Peter E. Manion, vice-president, has been elected a director of London & Lancashire Indemnity. He joined the company in 1924 as superintendent of the burglary department. Subsequently he served as manager at Boston for three years and then returned to the home office to take charge of the casualty underwriting department. He was appointed assistant secretary in 1938, secretary in 1943 and in 1953 was made vice-president.

Ferrer U. Lodola and Richard T. Wivagg have been appointed superintendents of the A&H and compensation and liability departments respectively.

Mr. Lodola joined the company in 1930 and has been in the A&H department since 1934. In 1950 he became chief underwriter and has travelled extensively developing A&H business.

Mr. Wivagg joined the company in 1928 and, with the exception of his first few years, has been an underwriter, specializing in compensation and liability. He was named chief underwriter in 1950.

## Shortage Continues in Hartford

HARTFORD—A severe labor shortage exists here, according to the census bureau, although unemployment is growing in 42 other cities. Advertisements from insurance concerns as well as from many other businesses appear daily in the newspapers.

Connecticut Mutual, Hartford Accident & Indemnity and Phoenix Mutual and many other companies are seeking clerks, typists and stenographers.

Godelaux & Mayer, Ltd., well-known New Orleans agency, has been appointed general agent for Louisiana and Alabama by Netherlands.



**100<sup>th</sup> Anniversary**  
in the **UNITED STATES**  
of a  
**WORLD-WIDE**  
**INSURANCE COMPANY**

**1854**

In 1854 the Northern Assurance first entered California and began writing insurance in the United States. Not many years later the Company's writings were extended to all 48 States.

**1954**

In 1954 after 100 years of operation in the United States the confidence and faith of our Agents and Policyholders represent our most jealously guarded assets and will always remain so.

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114 Sansome Street  
San Francisco 4, Calif.

**CHICAGO**  
214 Insurance Exchange  
Chicago 4, Illinois

**NEW YORK**  
135 William Street  
New York 38, N. Y.

**The NORTHERN ASSURANCE COMPANY Ltd**

**Addresses St. Louis Blue Goose**

J. W. Flotron of Potter Electric & Signal Co. spoke at the January meeting of St. Louis Blue Goose on the use of a lie detector in screening new employees. The pond will hold its dinner dance at St. Louis Feb. 6.

**Moore Named by U.S.F. & G.**

Norman T. Moore has been appointed special agent for U.S.F. & G. in the San Joaquin Valley. He started in the business with Edward Brown & Sons in 1945 as a field man in the Sacramento and San Joaquin valleys of California.

**Former Dewey Prober to Hold Union Study**

NEW YORK—Sol Gelb, former racket-busting legal aide of Gov. Dewey, has been appointed special counsel to the insurance department to direct its investigation into abuses of union welfare funds.

Local 15 of the Bartenders union AFL has filed a motion to set aside a department subpoena to produce its welfare fund records and the state federation of labor has scheduled a meeting to vote on whether to back the local's move. The insurance department is investigating the funds of 22 unions and plans to survey the operations of some 600 others in the state. The motion of local 15 was scheduled to be heard in New York county supreme court at midweek.

The bartenders are opposing the investigation because they contend the insurance law excludes from the insurance department's jurisdiction organizations of workmen. The local says it is not opposed to proper agencies examining its books.

Mr. Gelb, who will work on a fee basis, will continue the inquiry which started with disclosures on the handling of welfare funds of local 32-E of building service employees union by the president of the local, who was murdered. Subsequently the department exposed the operations of one agency handling funds of several unions that allegedly siphoned off more than \$250,000 of local 32-E's welfare fund through padded administration expenses and other means.

Mr. Gelb was an assistant to Gov. Dewey when the latter was special rackets prosecutor 1935-37 and while he was district attorney.

Superintendent Bohlinger said that most unions' health and welfare funds are honestly administered but have not been subject to any governmental regulation. Abuses already obvious indicate the need for continual inquiry as the base for legislation designed to assure union members of the soundness of the funds and to encourage their growth.

Deputy A. E. Straub, Jr., is in charge of the investigation. He indicated there are at least 625 union welfare funds in the state and that an informed guess places the amounts involved between \$100 and \$500 million or more. Information collected so far indicates a lack of actuarial soundness in the plans and not much dishonesty, he said.

Among the charges most frequently leveled against the handling of the funds are kickbacks to labor bosses at the expense of the employer and employee interests in the funds.

The insurance department has sent questionnaires to about 50 agencies which handle such business and to 32,000 employers with 20 or more workers.

**Mich. C. & S. Execs Elect**

Harris B. Carr, Fidelity & Casualty, was elected president of Casualty & Surety Executives Assn. of Michigan at the annual meeting last week at Detroit. Thomas E. Eggleston, Aetna Casualty, was named vice-president, and A. Lawson Potter, New Amsterdam Casualty, secretary-treasurer.

**Louisville F&M Names Two**

Harry D. Crawford, who has been with U.S.F.&G. in the Missouri field, has been appointed Missouri state agent of Louisville F. & M.

W. Edward Bradley has joined Louisville F. & M. after experience with Virginia Rating Bureau, and will

travel the Virginia field.

Byron E. Smith, who for some years has been traveling in West Virginia for Louisville F. & M. as executive special agent, continues as supervising special agent, and Louisville has named W. J. Perry Corp. of Staunton, Va., as managing general agents in West Virginia. Clarke Mayberry, special agent for Perry, will be active in the West Virginia territory.

**Home Will Hold Series of Regionals in 1954**

Home will hold a series of regional meetings for field men in 1954, beginning at the Seignior Club, Montebello, Canada, Jan. 25-27. A delegation of executives from the home office will attend each of the meetings.

The other regionals will be held in Colorado Springs, Feb. 15-17; Pebble Beach, Monterey, Cal., Feb. 23-25; White Sulphur Springs, W. Va., March 15-17; Milwaukee, April 26-28, and Asheville, N. C., Oct. 18-20.

W. W. Branch & Co. general agency of Birmingham, Ala., has been appointed managing general agents in Alabama for Marquette Casualty of New Orleans.

**Know the facts about the insured's property values**

- An insurance program is only as sound as its basic foundations.

Make sure your client has the valuation facts for proper coverage which make his insurance an investment—not a gamble.

**The AMERICAN APPRAISAL Company**

Over Fifty Years of Service  
OFFICES IN PRINCIPAL CITIES

**REINSURANCE MANAGEMENT COMPANY**

Reinsurance Planned and Negotiated  
Domestic and Foreign Markets  
Twenty Three Years Insurance  
and Reinsurance Experience

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Facultative — Treaty — Excess — Quota Share  
Serving brokers and Insurance Companies  
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**Reinsurance Fire & E. C., Excess or Contributing**

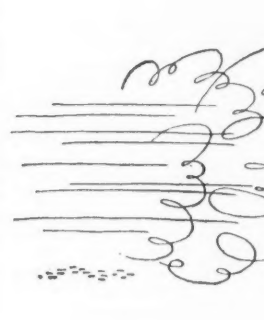
WE CAN MAKE MUTUAL OR STOCK COMPANIES A GOOD DEAL.

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"right next door"...



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faster



...with prompt loss  
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...and to keep  
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losses.  
Audits for reinsurance companies of payrolls, claims, etc.

Inland Marine Audits & Inspections.  
Audits of Cargo Motor Lines to determine financial responsibility and outstanding claims.

**ATWELL, VOGEL & STERLING, INC.**

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A-1815 Insurance Exchange, Chicago  
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25 other offices, providing nationwide service in U. S. A.  
as well as service in Canada and Puerto Rico



## Mo. FR Law Is Credited for Soaring Assignments

Assignments under Missouri's assigned risk plan in 1953 are expected to exceed 10,000, whereas from 1947 through 1952 the total assignments were only 8,000. The new financial responsibility law went into effect in August in Missouri, and it is credited with creating the increase.

## Legislation Would Cure Finance Mess in Mass.

Legislation has been introduced in Massachusetts to exempt insurance premium financing from the small loan act and a hearing on it was scheduled this week at the state house in Boston.

A ruling last fall held such premiums came under the small loan act and that agents, many of whom had been financing compulsory auto insurance premiums, had to charge no more than 1% a month on the unpaid balance. This is considerably less than the cost of handling, but agents have been going ahead with financing at that rate in order to preserve their business.

The legislation is opposed by small loan companies but is being supported by two of the large premium finance firms and by many of the producers.

## Mack Now Special Agent

William E. Mack has been appointed special agent for Springfield F. & M. for the San Francisco metropolitan area peninsula. He has been in the company's fire underwriting department.

## Introduce Safeco at Denver

Agents of General of Seattle, 100 strong, attended a meeting at Denver to get acquainted with Safeco, the

new automobile affiliate of General, which is writing at a deviation and pays less commission. The company was recently entered in Wyoming, Colorado and New Mexico, and will start writing business Feb. 1. Other meetings with agents are scheduled for Grand Junction, Colo., Cheyenne and Albuquerque.

## Wisconsin Casualty Assn. Elects J. G. Bauernschmidt

Casualty Underwriters Assn. of Wis., meeting at Milwaukee last week, elected John G. Bauernschmidt, II, Maryland Casualty, as its president; L. M. Anderson, Travelers, vice-president; L. A. Buck, New Amsterdam Casualty, as secretary, and R. F. Phillips, U.S.F.-&G., treasurer. All the officers are Wisconsin managers for their companies.

## Agents to Install Jacobs

Birmingham Assn. of Insurance Agents will have its inaugural ball Jan. 22, when T. L. Jacobs will be installed as president; Landers Sevier, III, vice-president, and Joe B. Chapman secretary-treasurer. Charles L. Gandy, past-president of the National, Alabama and Birmingham associations, will be the installing officer.

## Industries for Benefit Hike

Associated Industries of New York state is backing Gov. Dewey's proposal to increase maximum benefits to workers under compensation and sickness disability. The proposed increases would add about \$20 million to the costs of employers. The increases are from \$32 to \$36 on WC and from \$30 to \$33 on disability.

## String Named by Manufacturers

Manufacturers Casualty has appointed J. B. String assistant manager

of the Philadelphia metropolitan department to assist Vice-president B. F. Ferrier, who recently became general manager. Previous to military service, Mr. String was with New Amsterdam Casualty and went with Manufacturers on discharge. He was named superintendent of the underwriting department in 1952. He attended Wharton school.

## CPCUs in Conn. to Hear Donovan, Merrill, Others

The Connecticut CPCU chapter will hear James B. Donovan, general counsel of National Bureau of Casualty Underwriters and member of the New York law firm of Watters & Donovan, at its dinner meeting in Hartford Feb. 9. He will discuss "Perennials of Tort Litigation, Loading and Unloading, Caused by Accident and Care, Custody and Control".

Roger Kenny of U. S. Investor will speak March 9. April 13 will be New Haven day with local agents attending and a panel of New Haven area CPCUs reviewing the homeowners and similar contracts. This will be held at Hamden.

Deane W. Merrill of Thoms, Merrill & Co., South Orange, N. J., national CPCU president, will speak May 11 at a dinner meeting in Hartford.

## Juniper Retires from GAB

A. S. Juniper, general adjuster at Spokane for General Adjustment Bureau, has retired. Mr. Juniper, who has spent his entire business career of over 43 years in the adjustment field, went with Pacific Coast Adjustment Bureau in 1919 and later with GAB's predecessor organization, Fire Companies Adjustment Bureau. Among his positions of responsibility with the company have been manager at Spokane and general adjuster in the Northwest.

## Crawford & Co. in Larger Quarters at Chicago

The R. N. Crawford & Co. agency at Chicago, which also serves as a London Lloyds correspondent, has moved to modernized quarters on the second floor of the 100 West Monroe building.

The agency was established in 1915 by R. N. Crawford, Sr., who has been president since then. The firm has moved only twice in its 39 years. It represents leading American stock companies and is one of the originators of liquor liability insurance, as well as many other unusual Lloyds contracts. It has been a direct writer for Lloyds for more than 30 years.

Especially well-known for its underwriting of excess fire and casualty insurance, the agency does a substantial part of its underwriting work, both domestic and foreign, for national and international concerns.

The new quarters are larger, fully air-conditioned and facilities include an access to the customer-relations department by a private, modern stairway from the lobby of the building.

R. N. Crawford, Jr., with the agency for 18 years, is senior vice-president. Crawford & Co. recently moved its Minneapolis branch to larger quarters in the Minneapolis Grain Exchange building.

## St. Louis Course Opens

The NAIA insurance school conducted by Insurance Board of St. Louis got under way last week with Oscar W. Schowalter, New York Underwriters, as discussion leader. The course consists of two hours of instruction each Monday through Feb. 8.

## Enid Agents Organizing

Enid Assn. of Insurance Agents is being formed in that Oklahoma city. Serving as directors are R. B. Havenstrite, Richard D. Bell and Kenneth H. Martin.

# REINSURANCE

**FIRE and  
ALLIED LINES**



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## EDITORIAL COMMENT

### You Can't Get Even With Everybody

In driving you can't get even with everybody. You can't expect to pay off every driver who cuts in front of you, fails to signal a turn, neglects to dim lights or crosses the center stripe. If you tried, you would be on the street and highway all the time. All the time, that is, until you were carried off the field *hors de combat*.

The only way to solve the problem of the increasing destruction on the highway is to get the people with bad attitudes off the road, says the realist. There's a good deal to this proposition, but it has not seemed politically practical to put it into full scale practice.

Declaring psychological, rather than personal, warfare on the motorist who can't control himself and his car is advocated in a new Aetna Casualty film.

Often, the film points out, the good driver who follows all the courtesies of the road is so strained by the aggravatingly childish actions of other drivers, he loses control of himself and becomes emotionally a child, too.

The movie hero, Charlie Younghead, lets himself fall under the spell of a child's impulses and, of course, comes to the obvious end of driving like one. He realizes he really has been a younghead in his driving.

To make the film available to all

groups working toward eliminating the bad human elements from motoring, Aetna Casualty has prepared the film in black and white for TV as well as in color in 35 mm. and 16 mm. on a free loan basis from the company's public education department.

As the company points out, the cause of nine out of 10 highway accidents are the childish emotions—impatience, overconfidence, stubbornness, thoughtlessness, day-dreaming, resentment, selfishness and anger. How can these bad attitudes be stopped?

The driver attitudes of students who take driver training in the New York City schools do not perceptibly change, Richard O'Connor, superintendent of driver education, says. The students' attitudes are tested at the beginning of the course and again at the end, and the results vary little.

The fault lies in the background of the student, he believes. Parents and grandparents are to blame because generations of emotional instability almost always result in producing the same instability in the child.

The only way driving attitudes can be changed is by long-range psychological instruction and indoctrination to make adults of drivers, which is the aim of Aetna Casualty's new film.

### Credit Being Watched More Closely

The word from agents and field men is that the former were having little or no difficulty with balances for 1953 year-end. Yet both agents and companies seem somewhat more concerned about the credit situation this year than they did the preceding year. That this concern is not entirely unjustified is borne out by reports with respect to the general economy. For example, American Bankers Assn. has recently issued a bulletin on installment credit, the gist of which might well alert agents to examine the credit status of business in their own offices.

Until recently commercial banks engaged doing installment credit had unusually good experience, according to A.B.A. Relatively low loss ratios, negligible collection problems, and generally few dealer losses through fraudulent practices prevailed. However, this picture has changed in recent months. Installment credit is now operating in a more normal market.

There have been some losses. Repossessions have become more noticeable. Collections are getting tougher. Dealer problems are more prevalent. The situation is not serious, but it calls for attention and study by lenders. A greater degree of selecting and screening the individual risk is the current policy approach.

The A.B.A. suggests that credit policies be adopted with these thoughts in mind—establish true equities, either cash or trade-in. (It is often suggested that the agent secure from the policyholder a definite commitment on the time and manner of payment when the policy is written.) Terms should be short enough to protect equities from depreciation, use and obsolescence. Overtime pay is being eliminated in most industries and should not be considered as a credit factor. Dealer mortality may be high during the coming year. Place less reliance on dealer recourse. Beware of curtailed dealer lines switching to smaller

banks. Base sale credit more on character, ability and willingness to pay.

The concluding suggestion from A.B.A. could well be the watchword of those in the agency field: "Adopt sound standard credit terms without exceptions."

denly backed out of a farmer's lane. He suffered a broken rib and painful bruises and was hospitalized first at Kankakee and then at Blue Island, Ill. He expects to return to the office the first of next week.

**Jerome L. Masee**, who is with New England Fire Insurance Rating Assn., is engaged to marry Miss Joan T. Reece, who will graduate this year from University of Connecticut.

## PERSONALS

**Joshua P. Nelson** is retiring after 46 years with Johnson & Higgins. He received his early business training with Thames & Mersey Marine in Liverpool, England. In 1907 he joined the adjusting department of J.&H. and since 1916 has been manager of that department in the home office at New York. He was chairman of Assn. of Average Adjusters of the U.S. 1921 to 1922, and in 1949 served on the committee of the Maritime Law Assn. of the U.S. to consider revision of the York-Antwerp rules.

Engagement has been announced of Mary A. Desmond of Lincoln and **Ted Fraizer**, who is a member of the Fraizer law firm of Lincoln and whose father, C. C. Fraizer, is general counsel of Health & Accident Underwriters Conference. The wedding will take place Feb. 13.

Members of Hudson county (N.J.) Assn. of Insurance Agents honored the state association president, **Sol S. Holland** of Jersey City, at a testimonial dinner and dance in Jersey City. He has been with the Kislak organization more than 30 years and has been vice-president of the agency for 10 years.

**Joseph Carr**, local agent at Nashville and former secretary of state, is participating in a series of programs over WSM-TV conducted by Society of Amateur Chefs of Nashville.

**Robert H. Nichols**, secretary of Fidelity & Casualty, has been appointed chairman of the casualty insurance division of the development fund drive of the New York arthritis and rheumatism foundation.

**Richard E. Fey**, head of the Haass agency in Cincinnati and lecturer in casualty at University of Cincinnati, is chairman of Big Brother Week in that city.

**J. Milburn Smith**, 1st vice-president of Continental Casualty, has been elected a director of National Boulevard Bank of Chicago.

**Elmer R. Reske**, manager of Cook County Inspection Bureau, is now recuperating at home from injuries sustained in an auto accident that occurred south of Kankakee, Ill., while he was driving to Springfield. Mr. Reske turned his car into a ditch to avoid hitting another auto that sud-

**Kenneth E. Black**, executive vice-president of Home; will be the toastmaster at the annual banquet of Insurance Society of Philadelphia Feb. 9.

Transportation Assn. has elected as directors **Lewis Orin Barrows**, secretary and director of Liberty Mutual; and **Herbert J. Lorber**, president of Rollins Burdick Hunter, Chicago.

**Preston Hotchkiss**, vice-chairman of the executive committee of Founders of Los Angeles, has been elected a director of Los Angeles Chamber of Commerce.

**Wallace E. Berg**, local agent at Northfield, Minn., has been appointed federal housing administrator for Minnesota and will assume his new office Jan. 26.

**Hoyt Smith** of the well known Hoyt & Co. agency at Eldorado, Kan., and Mrs. Smith are parents of a baby girl, Mary Elizabeth. Mr. Smith also is secretary of Eldorado Assn. of Insurance Agents.

**Miss May G. Stafford**, head of the hull loss department of U. S. Aviation Underwriters since 1929, has retired. She learned the principles of loss adjustment at Crum & Forster before joining USAU in 1928.

**Franklin J. Pocquette**, secretary of the Meserole group at Chicago, Thursday underwent minor surgery at St. Francis hospital in Evanston, Ill. It is expected Mr. Pocquette will be hospitalized for about 10 days.

**Mrs. Charles E. Becker**, the wife of the president of Franklin Life, has made a strong and complete recovery from an operation that was done just after Thanksgiving at Los Angeles. She is at their winter home at Palm Springs, Cal.

**James M. Symes**, executive vice-president of Pennsylvania Railroad, has been elected a director of North America.

**William M. Byrne**, retired chairman of the Lawton-Byrne-Bruner agency at St. Louis, has marked his 90th birthday. He retired about five years ago.

**H. J. McCloskey**, associate manager of Royal-Liverpool's combined inland marine-burglary and glass department, will retire Feb. 1. He joined Globe In-

## The NATIONAL UNDERWRITER

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**SAN FRANCISCO 4, CAL.**—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.



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demnity as a burglary underwriter in 1919, coming from New Amsterdam Casualty, with which he started in 1908. In 1914 he went to Great Eastern Casualty as a burglary underwriter. In 1946, he became manager of the group's consolidated glass and burglary departments, and in 1950 was appointed to his present post. He is a member of burglary and glass rating committees of National Bureau and burglary protection council of Underwriters Laboratories.

**Dennis B. DuPriest, Sr.**, rate actuary in the fire division of the Texas department, had a dinner given in his honor recently on the occasion of his 36th anniversary with the department. F. S. Pearson, president of Texas Assn. of Insurance Agents, gave Mr. DuPriest an engraved wrist watch on behalf of the sponsoring organizations, the association, Fire Prevention and Engineering Bureau of Texas and Texas Insurance Advisory Assn.

**Robert F. Corroon** has been elected vice-president of R. A. Corroon & Co. He has been with the firm eight years.

## DEATHS

**NELSON PATCHETT**, 56, manager of the New Jersey branch of Royal Exchange group, died as he was driving his car into a service station. Mr. Patchett entered the business 29 years ago and joined Royal Exchange in 1939, being named manager of the New Jersey branch of Car & General in 1945, and of Royal Exchange group last year.

**CHRIS J. ABBOTT**, Hyannis, Neb., a director of Mutual of Omaha, was one of the 12 persons who died Jan. 10 in a plane crash near Shreveport, which took the life of Thomas E. Braniff, head of the Braniff agency at Oklahoma City and president of Braniff International Airways. Mr. Abbott and Mr. Braniff were in one of two planes returning from a duck hunting expedition on the Gulf of Mexico.

Another victim of the plane crash was **JUSTIN QUERBES, SR.**, president of Louisiana Fire of Shreveport. He had been in insurance 30 years, and his agency, Querbes & Bourquin, was one of the large general agencies of Fidelity & Casualty. He was a business leader in the south and was active in the development of the big and little inch pipe lines.

**W. O. HINTON**, 90, founder of the Hinton & Son agency at Parris, Ky., died there. Mr. Hinton, who established his agency in 1885, also had been a mortician and was believed to be the oldest member of this latter profession in the state.

**NEIL C. HEAD**, 59, member of the New York law firm of Cahill, Gordon, Cachry & Reindel, died at Bronxville, N. Y. He helped defend the Southeastern Underwriters Assn. in the government's anti-trust suit and counseled the business on the problems that grew out of that decision.

**ANNA B. AINSLEE**, wife of George F. Ainslee, Jr., vice-president of American Surety, died at her home in East Orange, N. J. She was the mother of Robert Ainslee, assistant manager of American Surety at Washington, D. C., and of Donald Ainslee, of the Rochester, N. Y., office of American Surety. Mrs. Ainslee had been an arthritis invalid for 20 years. Mr. Ainslee, her

husband, has not been well for several weeks, his illness sending him to the hospital part of the time and keeping him away from his office entirely.

**W. J. BRYAN JANISCH**, 53, a representative of Lloyd-Thomas Appraisal Co., died at his home at Arlington Heights, a Chicago suburb. Mr. Janisch at one time was a vice-president of Lumbermen's Mutual Casualty and served with that company from 1924 until 1947. A brother, Harold P. Janisch, who is in the insurance business at New York City, also formerly was with Lumbermen's and at one time was general manager of American Mutual Alliance.

**J. WALLACE BLUNT**, former agency manager for Monarch Life of Massachusetts and prominent nationally in the A&H field, died at Clearwater, Fla., where he had been spending the winter as was his custom since retiring in 1946. Mr. Blunt joined the company in 1924 as agency superintendent and became 2nd vice-president and agency manager in 1929. He was elected a director in 1934.

**J. J. SHEPARD**, 67, head of the Shepard Insurance agency at Cedar Rapids, Ia., and past-president of Iowa Assn. of Insurance Agents, and his wife were instantly killed in an auto-truck collision near Oran, Mo. They were returning to Cedar Rapids after spending a vacation on the island of Mamaica, and visiting their son and daughter in Memphis. Mr. Shepard started in insurance with the Rupert-Warner general agency at Fargo, N. D., in the late 1920's, moving to Cedar Rapids in 1925 where he became manager of the insurance department of the M. V. Bolton Co. He bought the business in 1928 and continued it as the Shepard-Bolton agency until 1929, when it became the Shepard agency.

**RYLAND T. CAPPS, JR.**, 54, assistant manager of Home's midtown New York City office, died. He joined Home in 1939 and became assistant manager in 1948. Previously he had been membership secretary of New York real estate board. He was a former governor of New York Athletic Club.

**MRS. L. N. BYERS**, whose husband is a partner in the Byers & Harvey agency at Clarksville, Tenn., died.

**MRS. WILLIAM L. HADLEY**, 70, wife of the vice-president of the Eastern Underwriter, died in Hollywood Beach, Fla.

**NEIL E. MUNRO**, 69, operating in San Francisco and Berkeley as a broker, died in his home in the latter city of a heart attack. One of his sons, Donald W. Munro, is manager at Oakland for Union Central Life.

**LELAND KEITH**, 64, Travelers agent at Worcester, Mass., for 30 years, died.

**CHARLES R. McCOLGAN**, 47, records clerk of Metropolitan's head office in Ottawa for 27 years, died.

**RICHARD B. FARNSWORTH**, 43, of Evanston, Ill. died in Passavant hospital at Chicago. He had been with Hartford Fire in the Cook county office as an inland marine underwriter. With the company for over 10 years, he started in the marine loss department in the head office, later transferring to the Cook county department. Before that he was in the compensation underwriting and claim department of Lumbermen's Mutual Casualty. Mr. Farnsworth's late father, who was president

of two Michigan lumber companies, was a director of Lumbermen's Mutual from its earliest days.

**WILLIAM J. BATTILANA**, 63, died at his home in Dedham, Mass., after a long illness. He had been a special agent of Kimball, Gilman Co., Boston department of Pennsylvania Fire, since 1921. He retired in 1953.

**HUGH M. ROBINSON**, 52, of Evanston, Ill., died at his mother's home in Chicago. He had been an engineer with Underwriters Laboratories since 1923, going there as an engineer in the fire protection department. His entire career was with the Laboratories as a service engineer, which included service in various testing departments.

**GEORGE P. HAWES**, 77, who had operated a local agency in Pinehurst, N.C., since 1928, died there of a heart attack.

**HORACE M. KENT**, local agent at Berkeley Heights, N. J., and former mayor, died there.

## Added Financing of Fire Association Authorized

Directors of Fire Association have authorized issuance of 340,000 shares of \$10 par value capital stock at \$22.50 per share, at the rate of one additional share for each share held of record Jan. 18. This subscription offer, which is not being underwritten, will expire Feb. 17.

Upon completion of the financing, the company will have outstanding 680,000 shares of capital stock out of an authorized 800,000 shares. Directors have expressed their intention to declare a quarterly dividend in February of 52½ cents per share, contemplating an annual rate of \$2.10 per share. Thus a stockholder presently owning one share who subscribes for the additional share at \$22.50, would hold two shares and receive an aggregate annual dividend of \$4.20 as compared with the present \$3 per share annual rate on the one share now held.

As a result of this financing, the company's capital and surplus will be increased approximately \$7,500,000, enabling Fire Association to continue the expansion of its underwriting operations. First Boston Corp. will act in an advisory capacity in connection with the financing.

## Ark. Assn. Elects Dietz

E. Kearney Dietz, until recently agent at Little Rock for Southland Life, has been appointed secretary-manager of Arkansas Assn. of Insurance Agents, succeeding Roy E. Thomas, resigned.

Mr. Thomas, formerly with Floyd, West & Co. at Lubbock, Tex., joined the association in 1952. He had had previous life insurance experience at Magnolia, Ark. During his 16 months as secretary-manager of the Arkansas association, membership had risen to an all-time high of 320 members.

Thomas H. McGregor has been appointed claims manager at Kansas City for United Pacific. He goes to the company from National Surety, with which he had been associated 24 years, starting at Pittsburgh as claims manager, then transferring to Memphis as general attorney in charge of claims.

A new 11-story office building at William and Ann streets in the insurance district of downtown New York City is to be constructed by E. S. Wolfson.

## Sullivan Succeeds Hoffman in Tenn. for Royal-Liverpool

J. M. Hoffman, Jr., who has been state agent in middle Tennessee for Royal-Liverpool, has resigned to enter Hoffman's Insurance Agency in Mt. Sterling, Ky., which is owned by his father.

W. E. Sullivan, who has been state agent for Davidson county, will succeed Mr. Hoffman, with headquarters at 2120 West End ave., Nashville. J. D. Etz, special agent, will assist him.

## A&H Club of N. Y. to Install

The A & H Club of New York will install new officers at the Jan. 26 dinner meeting and will hear J. F. Follman, Jr., manager of Bureau of A & H Underwriters. New officers are Arnold W. Danckwerth, Mutual Benefit, president; George F. Monks, New York Life, Alfred H. Clarkson, Royal Liverpool, and Fred W. Bumby, W. L. Perrin & Son, vice-presidents; Andrew G. Borden, Metropolitan Life, treasurer; Edmund S. Flyntz, Metropolitan Life, assistant treasurer, Edward E. Anderson, Commercial Travelers of Utica, secretary, and Kenneth J. MacDonald, Maryland Casualty, assistant secretary.

Meeting notice is now being combined with a news letter to provide new members with current activities of the club. Harold M. George, U. S. F. & G., is chairman of publicity and handles the publication.

## Ky. to Host Conference

Kentucky Assn. of Insurance Agents discussed its role as host of the Midwest Territorial Conference, to be held at the Kentucky hotel, Louisville, March 21-23, at a meeting of its executive committee in Louisville. Fifteen states will be represented at the conference.

The association has abandoned its drive for a 16th district chairman, but has increased its executive committee by two members.

## Pittsburgh Telephone Directory Now Ready

The Pittsburgh Insurance Telephone Directory is now off the press. This publication lists the insurance people of Pittsburgh, along with their addresses and telephone numbers.

Copies may be obtained from the National Underwriter Co., 420 East 4th street, Cincinnati 2. The price is \$1.



E. Kearney Dietz

Insurance Distaff Executives Assn. of Chicago at the Jan. 21 meeting will hear a talk by John T. W. Babcock, assistant chief engineer of Factory Assn. and president of Chicago Conference of Fire Protection Engineers. He will discuss the General Motors loss at Livonia, Mich., and show films of the fire.

Howard V. Quinn has been named manager of the insurance department of Warren H. Sexton & Co., Utica, N.Y. For 18 years he has been with Metropolitan Life, including nine years in Atlanta, where he was regional supervisor for group.

Casualty Insurance Adjusters Assn. of Southern California held its "Old-timers" meeting at Los Angeles at which members reminisced about former days in insurance. Forrest A. Betts, attorney, was program chairman.

Insurance Women of Galveston and Austin held their respective meetings last week. C. W. Price, assistant general manager of the claims department of Travelers, spoke in Galveston of problems involved in medical payments, making special reference to automobile accident injuries. Speaker at Austin was W. G. Knox, liquidator for Texas board of commissioners, who described his duties in an insolvency.

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AMERICAN HOME FIRE ASSURANCE COMPANY

**No "Free" Bid Bonds  
in N. C., Court Rules**

RALEIGH, N. C.—Surety Assn. of America has won its fight to upset an order issued last November by Acting Commissioner Hostetler which would have prevented the collection of a premium on bid bonds other than the bond written for the successful bidder.

Acting on Surety Assn.'s appeal to Wake superior court, Judge Grady held the department order was in error and should be set aside. He took Surety Assn.'s view that the order meant free insurance for the contractors.

Judge Grady's decision was not resisted, and no appeal was noted. The attorney general's office, which represented the department in the case, informed the court that it felt the department order was not legally justified since the premium on bid bonds has been recognized as a valid rate since 1937.

In his order, Mr. Hostetler had sought to find a solution to a problem which has been vexing North Carolina Assn. of Insurance Agents for a number of years. The agents complained at a public hearing, which preceded the Hostetler order, that they could not collect the \$5 premium set for bid bonds because of competition since other agents were offering the bonds free in order to obtain other more profitable business from the contractors.

Apparently, the court decision means an end to the department's immediate efforts to solve the problem. However, the agents indicated they still are concerned over the situation.

**R. T. Stewart of North  
British Feted on 50th**

Robert T. Stewart, secretary in charge of the middle department of North British group, was guest of honor at a testimonial dinner in New York attended by home and branch office staff associates and middle department personnel and field men, to mark his 50th anniversary. He is the fourth man in the U.S. branch to have completed 50 years of continuous active service. He will retire March 31.

U. S. Manager W. L. Nolen, as host, reviewed Mr. Stewart's record and Assistant U.S. Manager J. L. Magenheimer presented him with a framed testimonial, signed by all present.

Other speakers were G. L. Scott, vice-president, and State Agent P. M. Taylor, Albany.

Mr. Stewart was presented with a refrigerator unit by General Agent J. J. Casey, his departmental assistant, and congratulatory cablegram was read from E. Lansdowne, general manager worldwide.

Out-of-town guests were S. T. Shotwell, vice-president and manager Pacific department; Chas. J. Williams, vice-president and manager southern department; S. R. Howard, secretary and manager Philadelphia department; A. G. Barker, secretary and manager Michigan-Ohio department; and C. L. Day, secretary midwest department.

After 15 years of home office training and experience in the middle department, Mr. Stewart became a special agent in New York state. Six years later he returned to the home office as assistant general agent of the middle department, advancing later to general agent and, in 1933, to secretary in charge of the department.

**U. S. Fire Dividend Up 5 Cents**

United States Fire of the Crum & Forster group has declared a quarterly dividend of 45¢ a share, payable Feb. 1 to holders of record Jan. 18. Previously the rate was 40¢.



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## Fla. Hearing on New Anti-Coercion Rules

Commissioner Larson of Florida has called a meeting for Jan. 28 in Tallahassee to discuss the anti-coercion provisions of the state's new insurance code. Mr. Larson said the meeting was to discuss the regulations which he must adopt to implement the new law. Representatives of insurers, agents, finance companies, banks and auto dealers are expected to attend.

The new law prohibits anyone loaning money for the purchase of property from coercing the purchase of insurance as a condition for acquiring the loan. Lenders can require insurance and help place it on a voluntary basis.

## Employees Buy Standard Casualty, Elect Prather

Controlling interest of Standard Casualty of Sioux Falls, S. D., has been purchased by Northwest Underwriters, an organization formed by Standard Casualty employees for that purpose. The sale involved \$377,550 and 1,678 shares of stock, affecting 42 stockholders.

Officers of the company are Frank A. Prather, president; William H. Green, executive vice-president and general manager; Leon R. Porter, vice-president; R. A. Williams, secretary; W. J. Van De Rostyne, treasurer, and Virgil E. Vail, claims manager.

Mr. Green has been serving the company as executive vice-president. Mr. Porter has been a vice-president and Mr. Williams was assistant secretary. Leo T. Butler is the former president.

The company has moved into its new \$100,000 home office building at 1521 South Minnesota avenue. Issuance of \$250,000 of additional capital stock was authorized at a special stockholders meeting.

## Agency Formed at Omaha

The Weaver-Minier-Martland general insurance agency has been organized at Omaha with Arthur J. Weaver, A. L. Minier and Francis L. Martland as partners. Messrs. Weaver and Minier have had an agency for many years at Lincoln, the Weaver-Minier Co., and Mr. Martland has been with an Omaha insurance agency for 12 years.

## O'Haver Succeeds Donovan

Robert O'Haver of Southland Life is the new president of the Texas A&H Claims and Underwriting Assn., succeeding R. B. Donovan, vice-president of United American. The association now has a membership of 300, compared with its membership of five persons when it was organized in 1946.

## Alston Now Special Agent

Gordon D. Alston has been appointed special agent in Minnesota for Great American group, and will be associated with State Agent Earl A. Munson at Minneapolis. Mr. Alston was educated at Lawrence College and the University of Minnesota, and for the past 18 months has had training in the western department of Great American at Chicago.

## Join Norwich Union in Cal.

Chester Federow, who has been special agent for National Automobile & Casualty at Los Angeles, and Alfred Snyder, who has been in the southern California field for National Fire, have been appointed special agents in southern California for Norwich Union.

## Another One for London

The Philippine air lines DC-6 which was wrecked near the Rome airport,

killing all 17 aboard, is the second big airliner loss to hit the London market in a few days. A BOAC jet airliner crashed off the Italian coast a few days before.

The type plane lost by the Philippine system cost between \$1 million and \$1,500,000. The system has had its aviation coverage in the London market for many years.

## General Adjustment Names Victor, Ritter Managers

Joe Harold Victor has been appointed manager of General Adjustment Bureau at Baker, Ore., to succeed T. C. Keller, who has left the organization. Mr. Victor, formerly an adjuster at Baker, joined GAB in 1950. He went to Salem, Ore., in 1953 and in that same year was made resident adjuster of the Albany, Ore., territory.

Hugh Simpson Ritter, who has been appointed manager at El Centro, Cal., also joined GAB as an adjuster in 1950, in which post he remained until the present date. He replaces D. C. Duff, who goes to the company's Los Angeles adjusting staff.

## \$1 Million Suit Filed on Estimated \$12 Million Fire

The Port of Oakland, owners of the property on which the so-called "\$12 million" fire occurred last October, has been sued by Robert J. Cooney, head of Allied Enterprises, Inc., principal fire victim of the blaze, for \$1 million damages while his fire insurance carriers have filed suit to recover \$500,000 paid to Cooney and other individual insureds. The claims have been referred to the Port authority's liability carriers.

The plaintiffs claim that the authority was negligent and careless in maintaining the premises and "knowingly allowed to be conducted thereon a business constituting a fire hazard". The fire started in a warehouse leased by the port to the steel fabricating firm of Judson-Pacific Murphy Corp. Cooney asks \$750,000 for goods stored in his packaging plant and \$250,000 for the building and loss of revenue.

## N. Y. Group Elects Nelson

Underwriters Assn. of New York State, which is marking its 70th year, elected as officers at its meeting in Syracuse, G. F. Nelson of Long Island, president; W. S. Bachman, Buffalo, A. H. Stevens, Albany, and E. A. Greenhalgh, Rochester, vice-presidents; H. L. Betts, Syracuse, secretary, and these members of executive committee: P. W. Haley, Syracuse, chairman; J. A. Barnes, Albany, R. F. Hughes, Syracuse, F. M. Humprey, New York, and J. A. Riley, Rochester.

## Fee Ads in Mass. Scored

The Massachusetts insurance department has ordered brokers who charge fees for placing automobile assigned risks to quit misleading advertising. Members of the public have been complaining and the Boston better business bureau took up the matter with the department.

Hereafter brokers may not use phrases like "plates at once," "no money down," "any car insured."

## Jones Is Special Agent

Donald J. Jones has been appointed special agent for western Missouri by the St. Paul companies. He will maintain his headquarters in the companies' offices in Kansas City under the supervision of State Agent W. C. Oakes as of Feb. 18.

## McLean Heads Portland Unit

John C. McLean, who has been at San Francisco with Fred S. James & Co., has been appointed manager of a new office James & Co. has established at Portland, Ore.



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## Illinois Field Men Meet at Peoria

(CONTINUED FROM PAGE 12)

well planned public relations program to let the public know about it, litigation will considerably decline and along with it much of the impetus for

compulsory insurance.

Mr. Heyl detailed the compulsory insurance plan in effect in Saskatchewan, showing how its limited schedule of benefits in a great number of cases does not nearly cover the loss sustained. That compulsory laws do not necessarily increase the amount of insur-

ance, is brought out by the record in Massachusetts, where there is such a law and where most of the policy liability limits merely meet the minimum of 5/10. In New York, where insurance is still an individual affair, 95% of the motorists are insured and the total amount of liability is much higher than that in Massachusetts.

Mr. Gent reviewed the town classification plan and said the bureau's intention is to conduct inspections in all towns every six years. During the past year, he said, the classifications of 150 Illinois towns were improved, primarily because of the acquisition of additional fire equipment.

How adoption of new procedures has helped improve the services of Illinois Inspection Bureau was reviewed by Mr. Jordan. He mentioned that the work of the bureau's audit division at Chicago is being decentralized and that in the future auditing will be done at the various branches.

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## NFPA Checks Protection of Many Historic Homes

The Dennison, Tex., birthplace of President Eisenhower is among the historic buildings receiving an examination and checking by the committee on libraries, museums and historic buildings of National Fire Protection Assn. This committee, headed by A. Clifford Hudson, secretary of New Hampshire Board of Underwriters, has examined or is now examining the White House, Metropolitan Museum of Art in New York, and the Canadian government buildings.

A member of the committee, Charles N. Hagar, superintendent improved risk department of Great American, drew up the original plans for protection of the Sagamore Hill home of Theodore Roosevelt at Oyster Bay, L. I. At Sagamore Hill, the committee standards for quick detection of fire, transmission of fire alarms and use of extinguishing agents causing the least damage and disfigurement of the premises, were applied. A detailed description of the measures taken there was given in an article by Mr. Hagar, appearing in recent issues of *Waterworks Engineering* and *Fire Engineering*. Mr. Hudson's committee has a booklet entitled "The Protection of Our Heritage" which may be obtained by writing to him at Concord, N. H.

## Special Risk Group Elects

At its annual meeting in New York, Conference of Special Risk Underwriters elected Thomas B. Lee of Commercial Union, chairman, and Cameron S. Toole, manager of Travelers Fire in New York, secretary.

John A. North, president of Phoenix-Connecticut, the featured speaker, discussed the need of research in this field, covering assumed legal liability, time element covers, public relations, uniform inspection reports, sprinkler and alarm systems, public utilities, luminous ceilings, atomic energy, and National Board town reports.

## Boas to Transit Cas. Legal Post

Lloyd Boas has been named general counsel of Transit Casualty of St. Louis. Mr. Boas formerly was assistant to attorney general from Missouri and also was a member of the law firm of Mattingly, Boas & Richards, now dissolved. At present he is chairman of the Trial Practice Committee of Missouri Bar Association.

First Kentucky Fire, a subsidiary of First National Bank & Kentucky Trust Co. of Louisville, has advanced Douglas W. Potter from secretary-treasurer to vice-president and treasurer. Succeeding Mr. Potter is Clifford Clark.

## New Plan Emerges from Compulsory Debate

(CONTINUED FROM PAGE 12)

pulsory insurance today can show me how it would have saved any of the 38,000 people who lost their lives in the nation last year," and Sidney Nelson, Racine agent, and chairman of the accident prevention committee of NAIA, who suggested enforcement of present safety laws strict enough to put fear into the minds of violators.

Among those supporting the bill were N. Paley Phillips, Milwaukee attorney who said the state should have sufficient faith in its lawmakers to believe that they could write a good law and that as long as there are accidents, persons damaged by uninsured drivers with no funds would still have no means of recovery.

Mr. Phillips said compulsory could reduce accidents two ways: by keeping uninsurable cars off the road and by making reduced rates a goal for motorists. He blamed a "constant pressure lobby" by insurance companies for preventing other states from following the Massachusetts example.

Another advocate was Wisconsin State Federation of Labor, whose counsel, Alfred G. Goldberg, said that his federation had appeared before numerous legislative sessions in the past in favor of such a law.

Initial debaters at the hearing were Mr. Phillips for compulsory and Rex Watson, also an attorney, opposing, on the question: "Shall the legislature require that all Wisconsin motorists carry public liability and property damage insurance before being privileged to operate a motor vehicle on Wisconsin highways?"

Other members of the committee were Judge Merrill Farr, Eau Claire; and Assemblymen Godar, Whitefish Bay, and Wallin, Grand View.

## To Hold Blue Goose Rally

The Jan. 25 meeting of Philadelphia Blue Goose will be a joint gathering with the other eastern ponds—New York City, Garden State, Chesapeake, Steel City, West Virginia and Northern New England at the Ben Franklin hotel. John Henry Martin, MLGG, will be guest of honor. Obligation of goslings will be by Penn pond ritual team.

## Louisville Board Reelects

Louisville Board of Insurance Agents, whose adoption of a new constitution and by-laws was reported last week, reelected all officers at its annual meeting. They are James W. Henning, president; E. Ewing Carrico, vice-president; and R. W. Barnes, Jr., secretary-treasurer.

## Seattle Surety Men to Install

New officers of Surety Underwriters Assn. of Seattle, to be installed at the annual banquet Jan. 22, are Jack Griffin, Hartford Accident, president; Don E. Rogers, McCollister & Co., vice-president; and Gerald L. Perry, Hartford Accident, secretary-treasurer.

Union Mutual Fire, Evansville, and the Whitmore agency, also of Evansville and operated by Don Whitmore, secretary of Union Mutual, have moved into a new building on North Madison street in Evansville.

Menasha, Wis., council has voted to appoint Wilbert Edwards, assistant assessor, to handle the city's insurance matters. Mr. Edwards will act as a liaison man with Milwaukee insurance counsellor Frank E. Hagemann.



## Says Insurance Most Over-Regulated Business

(CONTINUED FROM PAGE 1)

developing, he pointed out, and insurance must be sufficiently elastic to meet them. He said he doesn't believe it can be done where approval must be obtained from 52 governing bodies.

Mr. Donovan also discussed what he considers the four clauses that probably cause more litigation than all others combined. He listed these as the phrase "caused by accident" and those dealing with loading and unloading and care, custody and control.

Reviewing governmental regulation of insurance marketing practices, Mr. Ely said two principal questions have arisen out of the rating laws established following the SEAU decision. One is: "Why was or is it necessary to require independent insurers, who can and wish to make their own rates, to comply with all the filing and approval requirements imposed on the members and subscribers of rating bureaus?" The excuse of necessity to avoid impact of federal anti-trust laws, he averred, has no relevance in the case of independent and actively competing insurers. He said this point has been appreciated in only a very few states, with rating laws drawn accordingly.

An equally serious question, according to Mr. Ely, is: "Is it implicit in the requirement of 'reasonable, adequate and not unfairly discriminatory' rates, that all insurers writing a given kind of insurance (whether independently or through a rating bureau) should charge the same rates?" He said there was no provision in rating law directly supporting this implication.

While all insurers may expect the same ratio of losses to premiums for a given risk, and while all can be held to a given percentage of profit, Mr. Ely said it must be obvious that their expenses can and will vary with relative efficiency and differing methods of operation. Hence, a diversity of rates is expectable and should be allowed. In spite of this, the speaker said experience of companies such as his own has shown that both supervisory officials and rating bureaus have shown either extreme reluctance or outright antagonism toward attempts of members or subscribers of rating bureaus to pass on to the insurance public the results of economies in operation.

Mr. Ely said he strongly doubts the merit or need for the degree of rigidity which has been written and read into the rate regulatory laws. Conceding that it is well to have a requirement that rates be "adequate" in order to avoid cut-throat competition, he said, however, it would seem the existence or threat of such a condition could be detected easily by a vigilant state official, without the cumbersome procedure set up under existing laws for filing nearly all rates proposed to be used, and for approval before use. He said he has observed what seems to be undue tendency to insist on uniformity of rates—which has no logical relation to sureness of protection and which, on the contrary, deprives the public of the benefits of fair and healthy competition.

Mr. Ely said the problem of the unadmitted insurer is a fundamental difficulty under the pattern of regulation of the business by the several states. Such insurers do a considerable volume of business in complete disregard of the entire pattern of regulation

which applies to conventional companies. They write whatever forms of contracts or policies at whatever rates they see fit by the simple procedure of avoiding "doing business" in the jurisdictions where the risks are located.

Although the unauthorized insurance service of process acts are a partial step toward solving the problem, he said much more must be done in this direction. If interstate cooperation does not supply the solution, federal intervention may become necessary, he concluded.

## L. A. Insurance Assn. Installs, Hears Morrison

A feature of the annual installation of officers of the Insurance Assn. of Los Angeles was the address of Joseph F. Morrison, vice-president of Industrial Indemnity, speaking on "Meeting Today's Competition."

Officers installed for the year were: President, Nathan H. Horwitz; and vice-president, A. N. Bushnell, Jr.

## WC Bill in Rhode Island

The first major bill to reduce costs of compensating Rhode Island workers injured in industry was introduced in the state senate by Sen. Kingsley of Barrington, GOP majority leader. It was referred to the labor committee.

Principal aim of the bill is to eliminate costly double hearings when an employer takes steps to reduce, or cut off entirely, compensation for a worker considered by competent medical authority to be sufficiently recovered from an injury to return to work.

These cases now are heard by an officer of the state labor department, then by the superior court if the hearing officer's decision is appealed. Kingsley's bill would bypass the hearing officer and place the cases directly before the superior court for decision.

The Kingsley bill would require at least two superior court judges to sit five days a week on workmen's compensation cases, except during summer vacation when one judge would be enough. It provides for pre-trial conferences and other means for speeding up court decisions.

The court's decision would take immediate effect, even if an appeal was carried to the supreme court.

A worker whose incapacity as a result of an injury recurs two years or more after original compensation payments ended would be barred from getting further compensation. Now, a worker can apply for subsequent compensation if incapacity recurs within up to 20 years from the time of injury.

Joseph L. Breen, chief of the Rhode Island division of workmen's compensation, has advised insurers and self-insurers that beginning Feb. 1 petitions filed under the act will be assigned for hearing on the 20th day after filing, excluding Saturday, Sunday or holiday. Not more than two continuances of one week will be permitted for good cause. The new rules are expected to speed up hearings, dates of which heretofore have been left to the parties concerned.

## E. St. Louis Ins. Bureau Elects

John S. Pazdera, who heads the agency by that name at East St. Louis, Ill., has been elected president of East St. Louis Insurance Bureau. Other officers are Marie Carpenter of the Carpenter Insurance agency, vice-president; Carroll V. Sommer of Husband-Ziebold Co., secretary; Bert Wuerz of Bucknell Inc., treasurer.

## Adjusters Hear Olmsted

Major General George Olmsted, chairman of Hawkeye Security, was main speaker at the annual meeting of Adjusters Association of Central Illinois at Springfield, which honored Illinois Director Barrett and his staff.

## Civil Suit Against New Orleans Board

(CONTINUED FROM PAGE 1)

lations and by-laws which effectuate it.

In commenting on the case, Attorney General Brownell said that it has been well known for many years that agreements to boycott constitute a violation of the Sherman act where the effect is to restrain or monopolize interstate commerce. Under this law no exception is made for the insurance business.

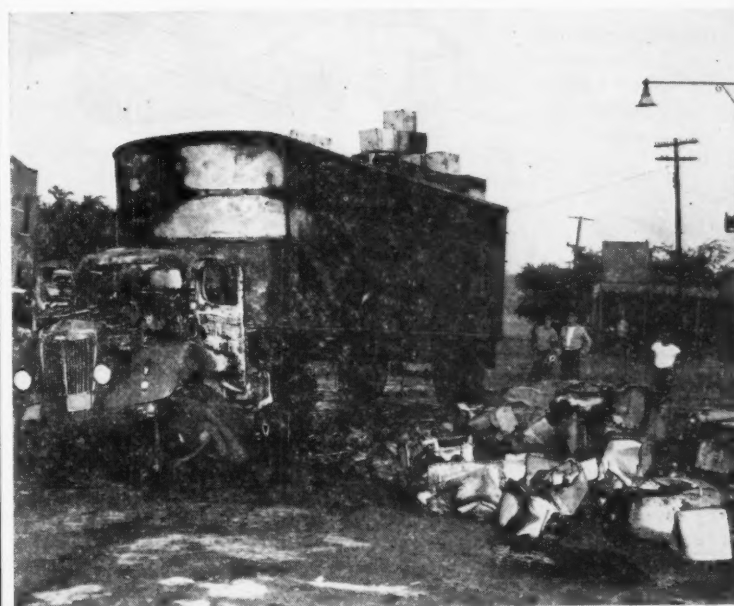
Stanley N. Barnes, assistant attorney general in charge of the anti-trust division, stated that in enacting the act of 1945 Congress recognized the duty of the Department of Justice to protect independent insurance agents and brokers from boycott, coercion and intimidation by a combination such as

the exchange. This is the second anti-trust action aimed at correcting illegal activities of this kind to be brought against an association of insurance agents since the passage of the 1945 act. Similar actions will be brought whenever and wherever such flagrant violations of the Sherman act occur, he said.

The government has a suit going against Cleveland board and has asked the federal court at Cleveland for a summary judgment. If the government secures the ruling, there would be no need for a trial. On this motion the court has not ruled.

It was rumored for several months that the government was investigating the New Orleans board. There is no indication from the government that it has other anti-trust actions against such groups in mind.

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## Ore. A&H Assn. Hears Agent, Company Executive

Portland (Ore.) Assn. of A&H Underwriters held its monthly meeting Jan. 11, with E. J. Coffey of Harry K. Coffey & Associates, association president, presiding. There were some 50 members on hand who heard George Piekarski, American Guarantee Life agent, on the viewpoint of the salesman, and Paul McKee, assistant to

the vice-president of United Benefit Life, on the viewpoint of the insurance executive.

Mr. Piekarski urged complete training of persons brought into the A&H business and emphasized that thorough training would do much to offset the possibility of misrepresentation. He also urged more careful selection of agents.

Mr. McKee said that the tendency today of company home offices is the

promotion back to salesmanship. Few field men are today selling so that the prospect knows what kind of merchandise he is getting. Mr. McKee added that President Eisenhower in his recent address presented all A&H underwriters with a challenge, and that A&H insurance must be sold to keep socialized insurance out and also to provide agents with greater income possibilities. He estimated a \$15 billion potential in the A&H business.

## Two Million Policyholders Now Claimed by Allstate

Allstate passed the two million mark in its number of policyholders late in 1953 and in attaining this figure the company doubled its number of policyholders since 1951. An estimated \$174 million in premiums was written by the end of 1953.

## Insurer to Pay \$10,000 in Case Involving Minor

The New Jersey appellate court has ruled that Atlantic Casualty of Newark must pay a judgment under an auto liability policy even though insured's age was given as 23 in the application and he was actually 17 at the time.

The policy was written by Automobile Assn. of New Jersey for Edward Gargano of Camden county. The trial brought out that the salesman for the auto club said he would complete the application after Gargano signed it in blank. Gargano later was involved in a fatal accident and there was a \$10,000 judgment against him. Insurer denied liability because the discrepancy in age made the policy invalid. The present ruling upholds the lower court verdict against the insurer.

In a dissent, Judge Jayne said Gargano was obliged to read the policy. The majority opinion would allow an applicant who heedlessly signs an application in blank for his own convenience to ignore the policy terms and thus obligate insurer to pay a loss it did not contemplate.

## Farm Owners Mutual Now Property Owners Mutual

Farm Owners Mutual of St. Paul, one of the largest turkey underwriters in the country, has changed its name to Property Owners Mutual, with W. J. McGladrey, one of the founders and formerly president of Farm Owners Mutual, as board chairman. The company recently entered six more states, making a total of 14.

## Discusses Median Fees

Rollin W. Waterson, executive secretary of Alameda-Contra Costa Medical Assn., talked at the Jan. 14 meeting of A&H Managers Assn. of San Francisco on the median fee plan, a working arrangement between doctor and patient with respect to professional charges.

## Conn. Agents Midyear, Annual

Connecticut Assn. of Insurance Agents will hold its mid year meeting June 21 at Groton, with a business session in the morning, and luncheon, golf and other sports in the afternoon. The annual meeting will be on Oct. 28 at Hartford, a one-day meeting.

## Firm Buys Radio Station

Radio station KPOA of Honolulu has been sold for \$400,000 to Radio Hawaii, subsidiary of Tele-Trip Co. of New York, aviation insurance specialists. The sale is subject to FCC approval. John M. Shaheen, president of Tele-Trip, is president of Radio Hawaii.

## Schultis Named Special Agent

Richard C. Schultis has been appointed a special agent for Nebraska, representing Queen City and Anchor Casualty. He will handle the fire field maintaining a headquarters service office in the Keeline building, Omaha. Mr. Schultis recently was a special agent in Indiana.

Robert A. Jakes has been appointed as division fire manager in the Pacific coast for Liberty Mutual Fire. He has been with the company since 1941 at Atlanta, New Orleans and Los Angeles.

## Form Insurance Speakers Bureau in Oklahoma

A 34-man speakers bureau to serve the state's schools, associations, civic and service clubs has been formed by Oklahoma Insurance Information Office.

"Do You Want Traffic Safety?"; "Workmen's Compensation and Auto Liability Insurance in Oklahoma"; "How to Hire Safe Drivers"; and "How the Premium Dollar is Split Up" are some of the subjects that will be covered.

The roster for the bureau contains names of men prominent in the industry in Oklahoma, such as Foster P. Boggs, Tulsa, president-elect of Oklahoma Assn. of Insurance Agents; Louis W. Hall, vice-president of Standard of Oklahoma; John G. Hervey, Oklahoma City, editor of the *Oklahoma Bar Journal*, and former dean of the University of Oklahoma law school; Page Lampkin, executive secretary of OAlA, and Dave R. McKown, Oklahoma City, state national director of OAlA.

Lloyd Palmer is head of Oklahoma Insurance Information Office, a public service organization of capital stock companies.

## Bixby Addresses Luncheon

The University of Kansas City and the Kansas City chapter of CPCU sponsored this week an all-industry luncheon at which those having qualified for CPCU and CLU degrees were given their designations.

The principal talk was given by Walter E. Bixby, president of Kansas City Life, and M. M. Zolz, dean of the University of Kansas city law school, was the moderator.

## St. Louis Auditor Begins

Homer H. Schroeder has opened an insurance auditing service in the Pierce building, St. Louis, with the title Midwest Auto Service Co. He will conduct auditing for the companies on various lines of insurance. He has been in the casualty department of E. D. Hirschberg & Co., and prior to that was a partner in the T. J. Burnett & Co. agency.

## Suspends Pa. Rule

The Pennsylvania department has suspended its ruling that domestic mutuals must maintain premium reserves and file rates for approval on automobile business. The 12 mutuals affected recently secured a preliminary restraining order as respects enforcement of the rule.

## E. J. Brink in New Post

E. J. Brink, Jr., has gone with the Chicago agency of James S. Kemper & Co. as office manager. Mr. Brink, formerly with Conkling, Price & Webb as state agent and production manager, has been in insurance for 15 years. He holds 22 decorations for his war service, joining the service in 1941 as an infantry lieutenant.

## Chicago Fire Examiners Meet

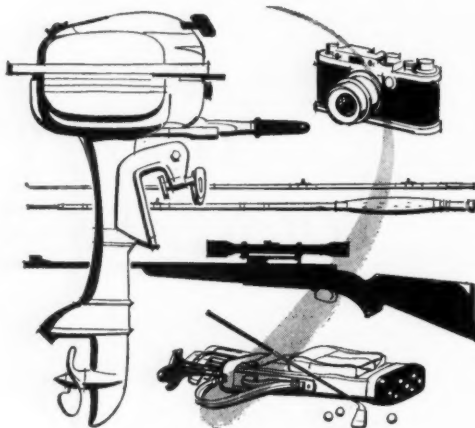
Chicago Assn. of Fire Insurance Examiners is holding its first meeting of 1954 Jan. 21. C. H. Metzner, assistant manager of Western Underwriters Assn., will discuss procedures in effecting changes in forms.

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## NAIA Steering Group Eyes Compulsory Auto

(CONTINUED FROM PAGE 2)

George S. Hanson, NAIA associate counsel. Mr. Neville indicated that there had been a great deal of comment on this study since it was originally proposed and he feels that it will fill a definite need on the part of local agents.

Arthur L. Schwab, Staten Island, N. Y., chairman of the NAIA agency management committee, discussed the current status of the agency cost study. His committee will continue to study various aspects of agency management in order to keep the survey up-to-date and to broaden it if necessary.

Mr. Schwab received approval of the executive committee to conduct another postcard survey of member agencies which would provide additional information on the makeup of agencies country-wide. He will contact state association officers to secure their cooperation in this endeavor as he has in the past.

Also present at the meeting were President E. J. Seymour, Monroe, La.; Ralph D. Callister, Salt Lake City; Robert Maxwell, Texarkana, Ark., and Louie E. Woodbury, Jr., Wilmington, N. C. Harry P. Minister, Columbus, O., chairman of the NAIA finance committee, members of the headquarters staff, and several members of NAIA from nearby states, also sat in on the meeting.

Mr. Maxwell reported on the recent meeting of the commissioners.

## Gives Small Store Insurance Advice

(CONTINUED FROM PAGE 9)

ing in mind that a loss prevented from happening is always the greatest of all advantages.

There are possible sources of losses that must be taken as calculated risks and not insured, he said. There is a limit to how much can be paid out for insurance if the store is going to have profits. Consequently, the insurance program should be built on the premise that insurance is carried to prevent against catastrophe losses, rather than small and run of mill losses. Wherever deductible can be purchased which excludes small losses, he urged the purchase of that kind rather than contracts that provide full payment. Where small losses are covered in volume, there is simply an exchange of money between store and insurer, and insurer must charge for that service. The store can take small losses without going bankrupt. The part of the program that must be carefully set up is insurance against losses which, if they occur, the store could not absorb without seriously affecting income or even financial stability.

He discussed important conditions that exist in connection with basic coverages and suggested that these so called fringe coverages can be obtained and should be secured. Explore the market by insisting that other companies be contacted or requested to give the coverage, he urged. Keep searching. Experience has shown that somewhere in the market is an insurer who will write the coverage that the store wants, if it is reasonable, in line with general practice and procurable by other insured.

Be sure the amount of fire on merchandise and fixtures is adequate to cover values at their peak and to comply with any coinsurance clauses. Some storekeepers have been in favor of keeping the amount of fire insurance at a minimum because of a mistaken opinion that they have a fireproof and sprinklered building and a total loss could not happen. Experience has shown that this is fallacious. Contents of buildings can be entirely destroyed,

no matter what the construction or protection facilities are.

If a store has not already had an analysis made of the fire insurance rate schedule, Mr. Clark recommended that it do so. Often by putting in an extinguisher here or raising a parapet a couple of inches there or eliminating some rubbish in the back room or correcting a faulty wiring circuit or similar change, the rate can be reduced. The store also is reducing possibility of fire.

If the store insures buildings no longer new, the insurance will pay the cost to replace the damage less depreciation. Depreciation coverage can be added to building fire contracts.

On merchandise sold but not delivered, which is on the premises, check the fire insurance policy to see that it is so worded to cover the selling price. Is there abatement of rent in case premises are damaged by fire? If not, rent insurance is necessary.

U&O is essential to the complete protection of any store operation. If the store operates a separate warehouse, be sure the U&O covers the additional location. Destruction of merchandise in the warehouse may put the main store out of business.

There is a dangerous gimmick in most mercantile U&O forms that is the real pitfall, he said. Loss of sales as a result of not being able to replace damaged merchandise is limited to 30 days. This is seldom adequate and even if it costs extra premium, he advised the store to extend the time of this feature. Claims by customers for injuries in stores have been growing larger, and courts are continually broadening the base on which they allow claims. Individual limits of coverage should be maintained at a very high figure. The lowest coverage that it is wise to carry is \$250,000 for one person, with \$500,000 not foolhardy, and \$1 million for any one accident. The limit for total claims from one accident should be sufficient in case of a mass accident in the store.

He recommended putting liability coverage on an occurrence rather than an accident basis. He suggested getting coverage for false accusation or arrest, applicable to both public and employees. Though some insurers are reluctant to grant this coverage, it is obtainable and is a very valuable form of insurance to carry. Products liability coverage is important. If the store rents premises from others, property damage liability should be carried to cover. Loss of money must be insured, and the store should constantly check this insurance to see that it is adequate to cover the maximum the store has at risk because that is when losses usually occur.

The most vulnerable spot in any organization is the possibility of loss through infidelity or dishonesty of an employee. He recommended fidelity coverage that provides protection for the full amount of the insurance regardless of the position or employee that causes the loss. Experience has shown it is not necessarily so that financial officers or employees handling money are the only points where higher protection should be carried.

Again Mr. Clark emphasized the wisdom of having adequate insurance on safe, burglary, holdup, etc. Most insurers will grant insurance that will specify fluctuating amounts of coverage to take care of peak periods, but the store insurance buyer always has to keep a memorandum in front of him to check so that peak loads will not occur without first having the insurance increased to meet the conditions. Stores sometimes forget this when they have bargain or special sale days, but that is the time losses will occur.

When the store carries money on the premises overnight, it should be sure that the money is in a place where fire will not damage it. No form of insurance normally covers loss of money caused by fire.

One way to avoid pitfalls is to go through the procedures of seeing how

to collect losses under various coverages if the possible occurrences happened.

If the store insurance buyer can't think of all the things that might happen, he should read the local and national newspapers to see what other storekeepers are having happen to them.

On welfare coverages, a basic axiom for the storekeeper is not to subscribe to any insurance programs which are not within his complete control. Contracts covering the store's own employees should be covered under its own contracts, not when carried by outside organizations of any type. If the store is so small insurers will not write welfare benefit insurance as a single unit, he suggested it join with other small units to get the group coverage, but on the basis of multiple individual policies, rather than as one contract covering all of the stores.

In that way, the store is alone responsible for the experience, rates,

conditions of coverage, option to continue or discontinue insurance, etc., including payment of premium.

Be careful in granting welfare benefits to employees solely on the basis of rates that might be quoted at the beginning of a new contract. Experience has shown that it takes about three years to develop an accurate rate for benefits allowed. This rate reflects the amounts of losses that insurer has to pay. If the amount of losses is excessive, the store's costs are going up or the coverage is going to be reduced. It is always difficult to take away coverages once employees have enjoyed them. Better grant small welfare benefits and increase them. The number of employees, sex, age, and very often community conditions affect the cost of welfare benefits. Seldom are two areas exactly the same. It takes about four years to develop a trend in costs. These facts should be borne in mind when negotiating or offering welfare benefits.

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## Late News Bulletins . . .

### Compulsory MV Inspection Bill in N. Y.

A compulsory motor vehicle inspection bill will be introduced in New York by Sen. Halpern substantially in the form it went in last year. Apparently Gov. Dewey, who has his heart set on passage of the compulsory auto insurance bill, is seeking to avoid the opposition of the motor car dealers, who opposed the inspection bill and were said to have helped defeat the insurance bill.

Sen. Condon has introduced a bill to extend the MV liability security fund to cover accidents outside the state involving New York drivers and accidents in the state involving out of state drivers. Many out of state claims were pending against Preferred Accident when it failed. The fund is for use in case of auto insurer failure.

### Hobart Retires, Tripp Heads Ministers L. & C.

Mell W. Hobart, president of Ministers Life & Casualty Union, has retired, and O. R. Tripp has been elected to succeed him. Andrew Hobart is the new first vice-president and secretary.

### Service, Indemnity Both Given Equal Attention

(CONTINUED FROM PAGE 4)

of the scope of benefits so as to obviate the necessity for purchasing duplicate hospitalization protection; description of benefit provisions in non-technical language so as to enable people to select intelligently the most satisfactory prepayment plan for their purposes; elimination of unnecessary or trivial special benefits which tend to obscure the real nature of the contract and fail to indicate serious deficiencies and limitations of the essential benefit provisions; removal of benefit limitations which seemed necessary when prepayment was in a more experimental stage but which experience has demonstrated to be unnecessary; inclusion of benefit provisions which have been shown by experience to be practical or which have become necessary because of the development of modern hospital services; and integration of hospital protection with medical-surgical protection when both are purchased, so as to eliminate duplication of benefit provisions.

One of the recommendations is to improve the efficiency in operation of the prepayment agency, and "reduce to a minimum the share of the public's prepayment dollar which is not paid for hospital services but is used in unwarranted amounts for sales promotion, administration, and other overhead expenses of the prepayment agency."

There is a sizable section in the report devoted to financing medical care for non-wage and low income groups. In objecting to the recommendation that OASI be extended to needy beneficiaries of that system, Mr. Faulkner said he was doing so for the following principal reasons:

1. If the means test is to be used to establish need for financing hospital protection for OASI beneficiaries, the proposal is unlikely of enactment because of congressional disinclination to include any means test in the OASI system. On the other hand, if the means test is not included, many OASI beneficiaries who do not need help to finance hospital care will receive an unneeded subsidy from the taxpayer. Should the means test be included, it is contended that it would be more efficient and economical for government to pay the costs of hospital care for such recipients directly rather than incorporating it in the OASI mechanism.

2. If the government, through OASI, subsidizes hospital care for OASI bene-

ficiaries, precedent will have been established for similar subsidization of all health care costs, leading directly to socialized medicine.

3. It is particularly unwise to extend OASI benefits into any new fields at this time in view of the need for radical corrective measures to OASI itself, to prevent social security costs from becoming ultimately a crushing burden on our economy.

Besides Mr. Faulkner, insurance company executives who are members of the commission include C. Manton Eddy, vice-president and secretary of Connecticut General Life, and Edmund Fitzgerald, president of Northwestern Mutual Life. Henry S. Beers, vice-president of Aetna Life, was consultant to the commission's committee on prepayment plans, and Edmund B. Whitaker, vice-president of Prudential, was consultant to the committee on non-wage and low income groups.

### IMIB Makes Changes in Rates and Cover

(CONTINUED FROM PAGE 1)

tions under the old nation-wide definition.

Under the revised physicians' and surgeons' equipment floater, the insured has a choice of cover on medical, surgical and dental equipment and instruments (including tools, materials, supplies and scientific books) used by him in the profession, at rates of \$1.50 per \$100 for the first \$1,000, 75 cents for the next \$9,000, and 50 cents for everything for \$10,000, subject to an 80% coinsurance clause, or cover on such property usually carried by him, at \$2 per \$100 for the first \$1,000 and \$1 for each additional \$1,000, with no coinsurance requirement. The minimum premium is \$10 regardless of term.

New per package premiums have been established for the form "C" first class mail floater for values exceeding \$25,000, and a similar per package premium arrangement has been worked out for the registered mail floater.

The horse and wagon floater has been restricted to use for risks involving delivery work exclusively and the special exclusions, rates, etc., concerning coverage under this floater at race tracks have been eliminated.

C. T. Beach, Jr., Fidelity & Deposit, has been transferred from Cincinnati to St. Louis.

The Seattle office of Union of Canton will move to the 20th floor of the Northern Life Tower about Feb. 15.

### LIST MEDICAL SPEAKERS

## Innovations Spice H.&A. Conference Group Rally Card

The program for the H&A Underwriters Conference group meeting to be held Feb. 9-10 at Chicago features two innovations. One of the sessions will be devoted to sales and service of group insurance, and another will consist of a series of 10 limited-attendance breakfast sessions at which specialized problems will be aired.

The problems of insuring senior citizens, the topic for the conference's annual hospital-medical forum to be held Feb. 8, also at Chicago, will be considered by John H. Miller, Monarch Life; Mrs. Elizabeth Breckinridge, Illinois Public Aid Commission; Gerhard Hirschfeld, Research Council for Economic Security, and Dr. Frank Dickinson, American Medical Assn.

The group sales and service discussion will be handled on a panel basis, with George R. Jordan, Republic National Life, considering organization and authority of the field force; J. D. Breslin, Zurich, sales promotion; A. W. Randall and Richard Finnell, both of Mutual Benefit H&A., training of salesmen.

Topics for the Feb. 9 breakfast meetings, and the presiding officers, are: Trade association group, Norman C. Morrison, Federated Mutual; extended maternity benefits, W. L. Miller, Northern Life; claim reserves, Donald Albright, Provident L&A.; blanket coverages, Wayland Mansfield, Woodmen Accident, and fringe benefits, George Hilliard, Washington National.

At the breakfast sessions Feb. 10, Charles E. Probst, Connecticut General, will lead discussion of major medical coverage; Paul Rinker, Continental Assurance, conversions; George McDowell, Commercial Insurance, professional association groups; J. W. Crews, Benefit Assn. of Railway Employees, coinsurance and deductible hospital plans, and G. Voigt, Lumbermens Mutual Casualty, compulsory cash sickness.

Other Tuesday features are a visual aid presentation on transferred business by Frederick W. Clark, Lincoln National Life, and a panel on small group with G. N. Watson, Crown Life, as moderator. Participants are Robert F. Benjamin, Fireman's Fund; Russell E. Laitala, Hardware Mutual; H. I. Mactavish, Crown Life; J. E. Fritz, Lumbermens Mutual Casualty, and Allison S. Beebe, Paul Revere Life.

Also that day Burt Dutcher, New York Life, will moderate a panel discussion on "Effective Administration of Group Plans". Members include John D. Gillespie, Time, and John Bevan, Liberty Mutual.

Following a talk Wednesday by Martin E. Segal of Martin Segal Co., New York consulting firm, on "Labor-Management Trustee Welfare Plans", there will be a panel on "Voluntary Insurance Accepts the Challenge". Speakers will be E. J. Faulkner, Woodmen Accident; George Hipp, Employers Mutual; Ray Brown, superintendent, University of Chicago Clinics; Arkell Cook, administrator of Evanston hospital, and Dr. Percy Hopkins, chairman of the American Medical Assn. committee on prepayment hospital and medical service of the Council on Medical Service.

## Eisenhower Message Sheds No Light on "Reinsurance" Plan

### But Emphasis on Working Through All Types of Private Insurers Pleases Industry

In his special message to Congress Monday President Eisenhower shed no further light on his proposed reinsurance plan for hospital and medical care, beyond revealing that it would start off with a \$25 million fund supplied by the government.

Even those insurance people who have been following this program closely say they have been unable to find out any details as to how the proposed reinsurance plan would work, although they are gratified at the emphasis on working through voluntary plans and the fact that the President's proposal would encompass insurance company plans and not just the Blue Cross type of arrangement, which the Wolverton reinsurance bill provides for.

There is a fairly widespread belief that the reason the administration isn't disclosing any details of its reinsurance plan is not that it is playing coy but simply that it hasn't figured out how the thing is going to work. The administration is opposed to a subsidy but insurance observers point out that if insurers get back more than they put into the reinsurance pool, it is obviously subsidy, while if they get back less than they put in or even about the same, what is the point of reinsuring?

The basic misconception that insurance experts have found in the reinsurance proposal—assuming that it is not to be subsidized—is that the need is not to spread the incidence of loss so that no one insurer will be hit too hard by an unlucky concentration of losses, but to take care of a level of losses known to be substantially higher than the normal experience.

"For example, let's say the cost of insuring people for hospital and medical care at ages above 65 is four times what it is below 65," said one insurance executive. "We either have to charge everybody for the extra cost of insuring people over 65 or the reinsurance pool takes care of it and that amounts to subsidy. If a company would have to pay out a million dollars more a year in claims by reason of insuring people over 65, then the proper reinsurance premium is a million dollars and what sense would there be to reinsuring? But if the insurer pays the reinsurer less than a million dollars, then there's a subsidy."

Insurers are particularly suspicious of subsidies because they could hardly be given without some sort of federal supervision of the insurers that were to receive the subsidies.

### Death Notice Correction

J. M. Breen, secretary of the D. Cliffe Stone agency at Nashville, whose death was reported last week, was the sister of Paul Breen of the Broadway agency, also of Nashville. The death notice incorrectly placed her in the masculine gender. Miss Breen was with the Stone agency for more than 50 years and was affectionately known as Miss Josie.

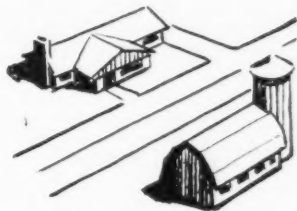
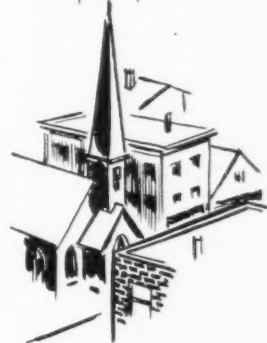
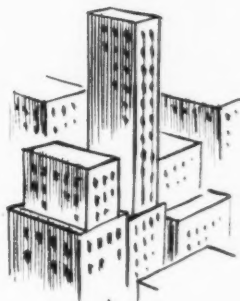


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